RAMADA

INVESTMENTS AND INDUSTRY

Annual Report 2017

80 YEARS

Investing in industry

INDEX

(This is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

RAMADA INVESTIMENTOS E INDÚSTRIA

MANAGEMENT REPORT

Shaping industry

**From Steel
to engineering
and storage solutions,
our brand reflect
our know-how.**

80 YEARS
Investing in industry

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of F. Ramada Investimentos, S.G.P.S., S.A. ("Ramada Investimentos") hereby presents its Management Report for the financial year of 2017. According to number 6 of article 508 - C of the Commercial Companies Code, the Board of Directors has decided to submit a single Management Report, fulfilling all legal requirements.

INTRODUCTION

On March 6 Euronext released the annual review of the composition of the PSI-20 and announced that F. Ramada Investments would be part of that index as of March 19, 2018.

Ramada Investimentos was incorporated in June 2008, resulting from a restructuring operation, having its shares listed on the Euronext Lisbon since July 2008. Currently, Ramada Investimentos is the parent company of a group of companies ("Ramada Investimentos e Indústria") which operate in two business areas: **i) Industry**, which comprises the Steel activity, the Storage Systems activity, as well as the activity related to the management of financial investments corresponding to non-controlling interests; and **ii) Real Estate**, focused in the management of real estate assets.

The Steel activity, which mainly develops at the level of the sub segment of steels for moulds, with a prominent position in the domestic market, is carried out by four Companies: Ramada Aços, Universal Afir, Planfuro Global and Socitrel (since December 2017).

In the last quarter of 2017, F. Ramada Investimentos acquired the indirect control of 99% of the share capital of SOCITREL - Sociedade Industrial de Trefilaria, S.A.' ("SOCITREL"), following the decision of non-opposition by the Competition Authority disclosed in December 2017.

This acquisition allowed Ramada Group to diversify its industrial activity by entering in a new business area. Socitrel's main activity includes the manufacture and sale of steel wire for a variety of applications, namely industry, agriculture and construction.

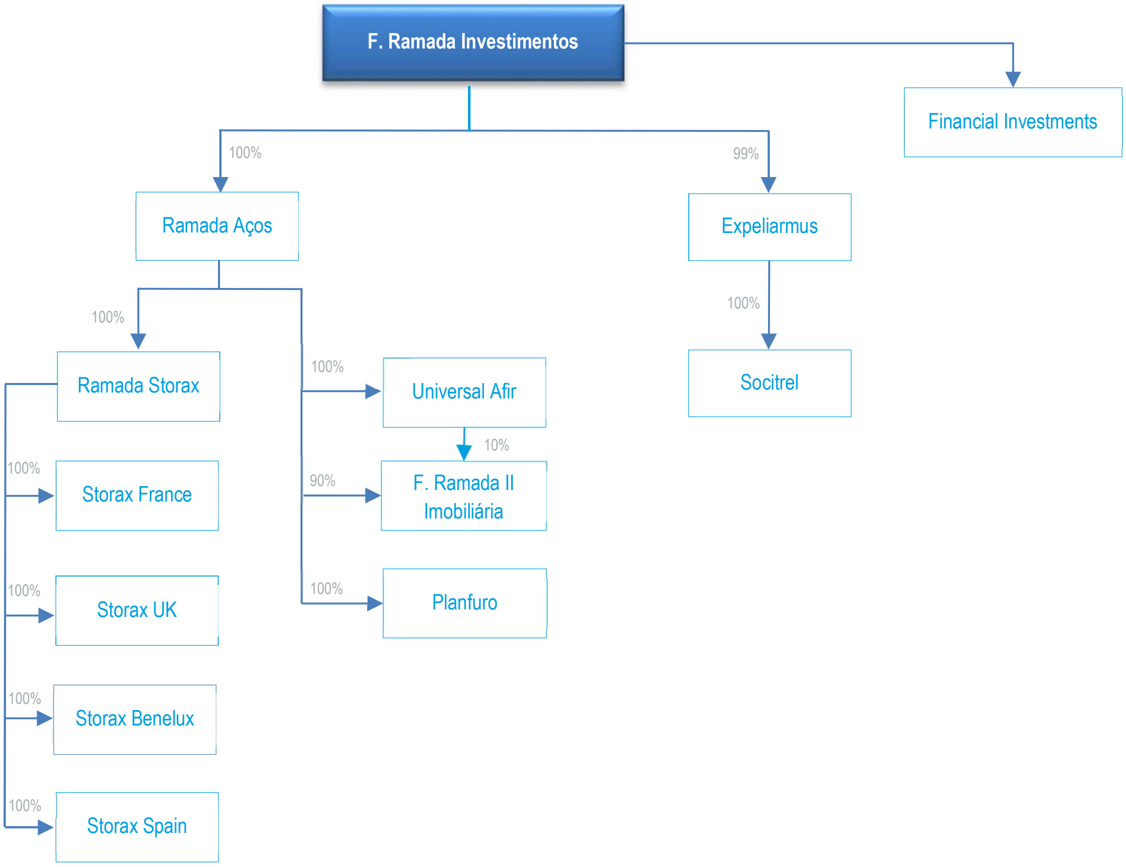
The Group consolidated financial statements only include Socitrel's balance sheet, as the referred acquisition only became effective at the end of 2017. As from January 1st, 2018, Socitrel's operations will be included in the Group´s consolidated financial statements

The Storage Systems activity is carried out by five Companies: Ramada Storax (largest manufacturer of storage systems in Portugal and where all Group production is concentrated), Storax France, Storax United Kingdom, Storax Belgium and Storax Spain.

The activity of management of financial investments includes several investiments from which stands out the stake held in Consumo em Verde-Biotecnologia das Plantas, S.A. (15.48%).

The real estate segment, whose activity is the management of real estate assets (including forestry assets and buildings), is carried out by the company F. Ramada II Imobiliária.

The structure of F. Ramada Group, as of 31 December 2017, can be presented as follows:



MACROECONOMIC BACKGROUND

The year 2017 was marked by Donald Trump's tenure in the US, tensions with North Korea and growing interest in crypto-coins. Despite all these factors, for Europe, the year 2017 was politically more benign than it was expected, largely because of Macron's election in France and the retreat of the far right. In financial terms, the year was very positive, with historical records in various stock exchanges, namely in the main US markets.

Regarding world growth, the year 2017 was also very positive. In the Euro Zone, GDP grew by 0.6% in the fourth quarter and by 2.7% year-on-year. In the whole of 2017, the GDP of the Euro Zone grew 2.5%. The Eurozone recorded an unemployment rate of 8.7% in December 2017, the same figure registered in November and the lowest figure recorded in the Euro Zone since January 2009. The drivers of the European economy continue to be an accommodative monetary policy, a recovering labour market and healthy external demand.

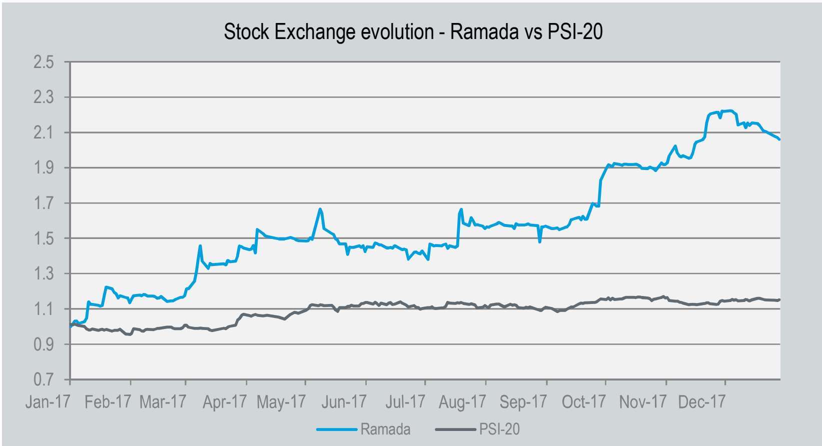
The outlook for 2018 points to a likely continuation of the upward trend of growth, with a growth of 2.3% in the European Union and 2.2% in the Euro Zone. Regarding unemployment, this figure is expected to fall to 8.5% in the Euro Zone, while in the European Union it is estimated to be around 7.8%. These results are motivated by the expansion of domestic demand and the structural reforms implemented by some of the member states.

In relation to Portugal, the IMF and the OECD advance with estimates for annual GDP growth of around 2.6%, compared to 1.6% in 2016. As a result, the Portuguese economy continues to benefit from an exceptionally favourable context, in particular the external demand for goods and services which continues to boost the economy. Inflation remained in line with the Eurozone average and stood at 1.4%, compared to 0.2% in 2016. Regarding the labour market, the unemployment rate in 2017 fell by 2.2% over the previous year, reaching 8.9%.

STOCK EXCHANGE EVOLUTION

(Note: in order to enable a better comparison of the stock price fluctuations, the PSI 20 index has been considered to be equal in value to the opening price of the shares under analysis.)

Ramada Investimentos' shares recorded a valuation increase of 106.07% in 2017, strongly overcoming the national stock exchange index (PSI-20) which increased 15.15% during the same period.

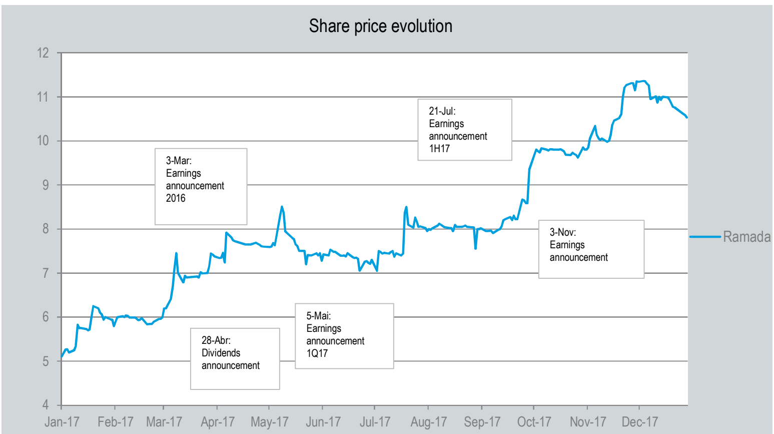


At the end of 2017, Ramada Investimentos' shares closed at 10.53 Euro per share, which represents a valuation increase of 106.07% compared to the end of 2016 and corresponds to a market capitalization of 270 million Euro.

In 2017, Ramada Investimentos' shares were traded at a maximum price of 11.36 Euro per share and a minimum price of 5.11 Euro per share. A total of 4,718,296 shares of Ramada Investimentos were traded in 2017.

Ramada Investimentos' share price evolution

The main events which influenced the evolution of Ramada Investimentos' share price during 2017 can be described as follows:



- In the announcement of the Group's performance in the financial year of 2016, released on 3 March 2017, Ramada's consolidated net profit was of 13.9 million Euro, which represents an increase of 26% compared to 2016. The total revenues reached 137.3 million Euro and consolidated EBITDA amounted to approximately 21.3 million Euro. In that day, Ramada Investimentos' shares closed at 6.2 Euro per share;
- In the announcement made on April 28, Ramada Investimentos informed the market that the proposed dividends distribution of 0.28 Euro per share, related with 2016, would be paid from May 15 onwards;
- On May 5, in the announcement concerning the presentation of the financial statements for the first quarter of 2017, Ramada Group presented a net profit of 3,2 million Euro, consolidated EBITDA amounted to 5.6 million Euro, while operating income amounted to 34,6 million Euro;
- On 19 July 2017, the Group informed the market that together with the other shareholders signed an agreement with Medicina Laboratorial – Doutor Carlos da Silva Torres, S.A. for the sale of its entire stake in BASE HOLDING, SGPS, S.A. ("BASE Holding"). The execution of the transaction would be subject to prior notification to the Competition Authority.
- On 21 July 2017, the Group announced a net profit of 7,071 thousand Euro during the first half of 2017. Consolidated EBITDA amounted to 11.6 million Euro, while the EBITDA margin was 16.7%;
- On 25 July, the Group informed the market of the sale of 2,564,145 treasury shares representing 9.99% of its share capital. The sale was carried out, on the regulated market of Euronext Lisbon, to a group of qualified investors.
- On 19 September 2017, the Group announce the decision of non-opposition by the Competition Authority regarding the selling of its shareholding in Base Holding, SGPS. The operation produced its effects, on this date;
- On 29 September 2017, the Group informed the market the agreement signed to obtain indirect control of 99% of the share capital and votes rights of SOCITREL – Sociedade Industrial de Trefilaria, S.A. ("SOCITREL"). The transaction would be subject to prior notification to the Competition Authority, under the terms established in the competition legal regime and, therefore, contingent to the decision of non-opposition by the Autoridade da Concorrência (Competition Authority).
- In the announcement of 3 November 2017, the Group presented the results for the third quarter of 2017, having obtained a net profit of 51.4 million Euro. Consolidated EBITDA totalled approximately 17.9 million Euro, while the EBITDA margin was of 16%.
- On 15 December 2017, the Group, announced that the Autoridade da Concorrência (Competition Authority) did not oppose to the acquision of indirect control of 99% of the share capital and votes rights of SOCITREL – Sociedade Industrial de Trefilaria, S.A. ("SOCITREL"). It was further informed that the completion of the transaction, according to the terms of the agreement was reached in that date.

GROUP'S ACTIVITY

Ramada Investimentos is the parent company of a group of companies ("Ramada Investimentos e Indústria") which, together, operate in two distinct business areas:

- **Industry,** which includes the Steel activity, the Storage Systems activity, as well as the activity related to the management of financial investments held corresponding to non-controlling interests;
- **Real Estate,** focused in the management of real estate assets, in which we highlight an important part of forestry lands.

Steel activity

In the Steel activity, the Group has a prominent position in the domestic market.

The steel commercialized by the Group is mainly intended to the construction of machines and their components and to the production of tools (dies, sharps and moulds), having as main target markets those which manufacture moulds for plastic components, components for the automotive industry, for home appliances and electronic devices.

The Steel Activity recorded a significative turnover growth compared to 2016.

This growth is a consequence of the sales increase to the moulds industry and to machinery and construction equipment segment.

The Portuguese mould industry has been growing and consolidating itself in the international market, driven by both external demand and the recognition by its customers of the expertise and productive capacity. In fact, Portugal is currently ranked among the major worldwide mould producers, namely in the injection moulds for plastics segment (8th major producer in the world and 3rd in Europe).

2017 was the best year ever for the mould industry either regarding the levels of production, as well as in exports.

The metalworking sector also experienced a significant growth, as a result of the increase of Portuguese companies' turnover, but also as a consequence of new players in this sector.

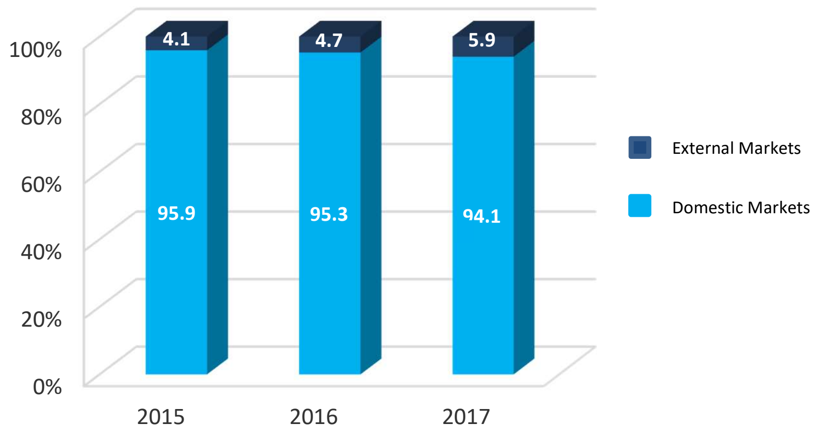
In what concerns to investment activities, it is important to highlight that the investment phase regarding the new activity of machinery structures for moulds is almost concluded, being currently the third machine in the final assembly stage.

In 2017, the installation of new saw blades, an investment started in 2016, was completed in order to increase the cut capacity and guarantee a service level of 95%.

Additionally, four additional heat treatment furnaces were installed at year end, in order to increase the productive capacity and to improve the compliance with the delivery deadlines demanded by the market.

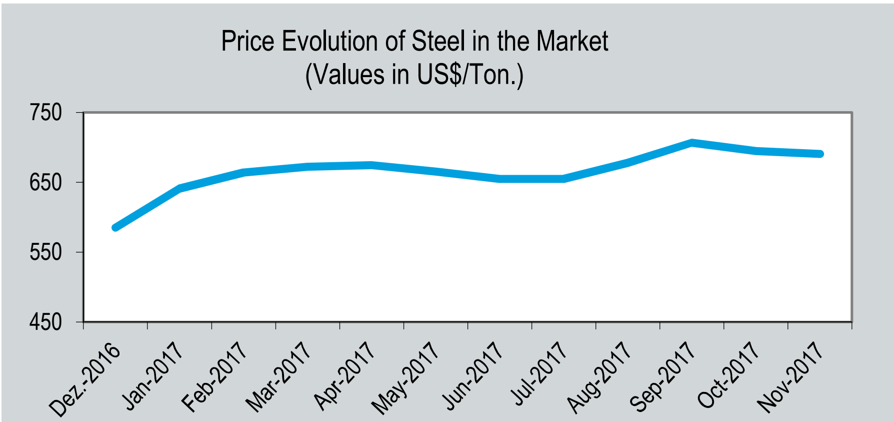
Customers have been, increasingly, recognizing Ramada Group quality as well as its reliability in the provision of machined parts able to incorporate moulds and/or equipment.

Turnover evolution by market - Steel activity



The Steel Activity is essentially developed in the domestic market, representing approximately 94.1% of the total turnover of 2017. Exports represented almost 5.9% of sales, maintaining a strong growth trend in recent years (4.7% in 2016 and 4.1% in 2015).

Europe continues to be the main destination of the referred sales, being England, Germany and France the main markets.



The year 2017 was also characterized by the rise in prices of all steels, based on raw material prices, which was already happening in 2016. In the second half of the year, growth in the global economy, along with lower impact phenomena, such as the rise in prices of graphite electrodes generated by the supply disruption, continued to boost demand and generate a new wave of price growth that extended to the end of the year.

Storage systems activity

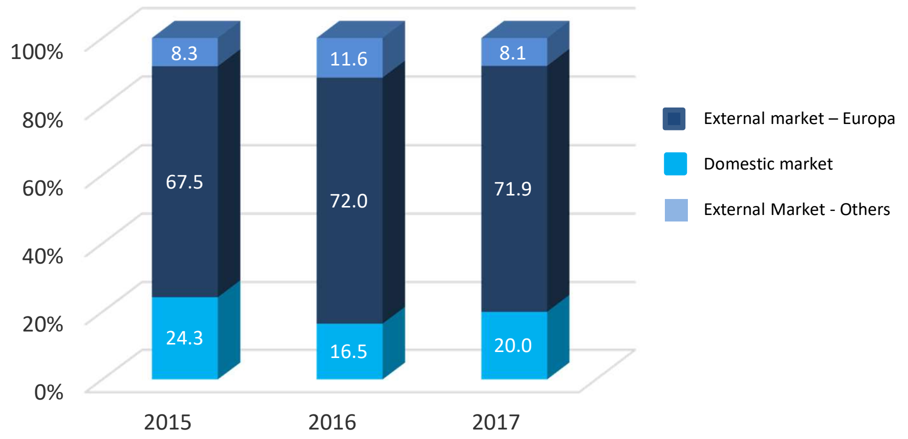
In the storage systems activity, the group is specialist in the conception, installation and after sales services, having more than 50 years of experience. The deep knowledge about all the storage areas is its brand image.

The Storage Solutions Activity (Storax - Engineered Storage Solutions) also recorded a significant turnover growth when compared with 2016.

In 2017, the Group consolidated its position as European leader in the high density cold storage systems' market ("Cold Stores").

The foreign market continues to be the main booster of this activity, representing 80% of its turnover in 2017. Sales in the domestic market also experienced a significant growth, supported in the increase of the demand for automatic warehouse projects.

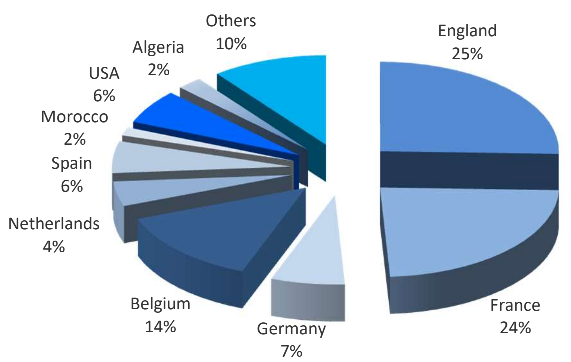
Storage systems turnover distribution by geographical market



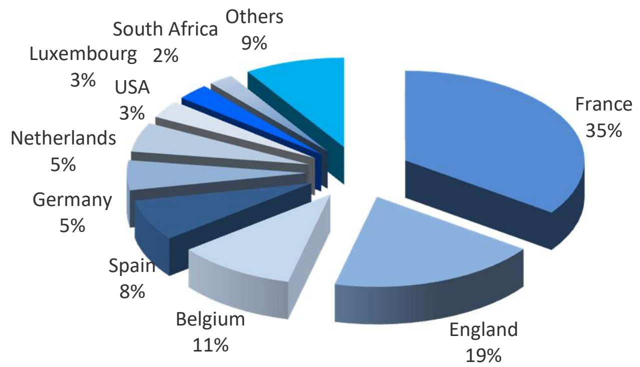
Europe continues to represent the main destination, representing 90% of the exports. In 2017, Ramada Group had customers of this activity all over 33 countries, which demonstrates the international dimension of this market

Distribution of storage systems activity by foreign markets

2016



2017



Financial investments activity

As of 31 December 2017, the participations held by the Group includes several investments from which stands out the stake held in Consumo em Verde-Biotecnologia das Plantas, S.A (CEV/Converde).

As disclosed to the Portuguese Securities Market Commission (CMVM) in 19 September 2017, Ramada Group sold its shareholding in Base Group after the decision of non-opposition by the Competition Authority

Other Group's investment is CEV – Consumo em Verde/Converde, whose activity is the development, patenting, production and commercialization of organic fungicides for agriculture based on an edible protein - BLAD protein. BLAD is obtained from the extraction of the protein from Lupinus Albus (sweet lupine). Its industrial unit was inaugurated in January 2013 and is located at Biocant Park in Cantanhede.

In the second half of 2017, the authorization to sell the product in China and Australia. As for China, given that at that time and for the cultures authorized on the label, the potential application of the product was already reduced, it is expected that in 2018 sales to that country will be greatly increased.

The CEV/ Converde presents a turnover for 2017 of 2.33 M€ compared to 2.23 M€ in the previous year. All turnover was made in export markets.

During the year, several potential distributors for Europe, Japan and Mexico conducted a series of field trials of validation of efficacy, having obtained excellent results with the product. At the beginning of 2018 CEV/ Converde will appoint the distributors these territories.

The product is a phytopharmaceutical, it is subject to a series of regulatory webs, in all territories where it is intended to sell the product, which constantly delay the opening of markets. Europe will be expected to issue a marketing authorization in early 2020, Mexico and Japan are expected to be sold by the end of 2019.

Regarding other territories, CEV/ Converde is already conducting field trials to demonstrate its effectiveness, in order to request its sale authorization in the near future.

It should also be noted that, CEV/ Converde continues to focus on the development of new products in order to extend the spectrum of action of its bio fungicide to new crops and diseases, a strategy which will certainly bear fruit.

FINANCIAL REVIEW

The financial information presented below related to the Ramada Group was prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), as adopted by the European Union.

The main indicators of the consolidated activity of Ramada Group are as follows:

	2017	2016	Var. %
Sales and services rendered	156,886	135,930	15.4%
Other income	1,334	1,415	-5.8%
Total Income	**158,220**	**137,344**	**15.2%**
Cost of sales	(83,673)	(72,265)	15.8%
External supplies and services	(29,668)	(25,759)	15.2%
Payroll expenses	(19,212)	(16,628)	15.5%
Other costs	(835)	(1,368)	-39.0%
Total costs (a)	**(133,388)**	**(116,019)**	**15.0%**
EBITDA (b)	**24,831**	**21,325**	16.4%
EBITDA margin	**15.7%**	**15.5%**	
Depreciation and amortization	(5,931)	(4,719)	25.7%
EBIT (c)	**18,900**	**16,605**	**13.8%**
EBIT margin	**11.9%**	**12.1%**	
Gains/Losses in associated companies	42,527	2,028	Ss
Financial costs	(1,864)	(2,088)	-10.7%
Financial gains	213	205	3.7%
Net profit before income tax	**59,777**	**16,752**	**256.8%**
Income tax	(3,068)	(2,824)	
Consolidated net profit	**56,708**	**13,928**	**307.2%**
Consolidated net profit attributable to shareholders of Parent company	56,708	13,861	309.1%
Consolidated net profit attributable to non-controlling interests	0	67	

Amounts in thousands of Euros

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA= earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

The total turnover of F. Ramada Group amounted to 158,220 thousand Euros, representing an increase of 15.2% in relation to total turnover in 2016.

The total costs, excluding depreciation, financial results and income tax, amounted to 133,388 thousand Euros, thus representing an increase of 15.0% in relation to 2016.

EBITDA in 2017 reached 24,831 thousand Euros, representing an increase of 16.4% when compared with 2016. EBITDA margin reached 15.7%, which compares to 15.5 % obtained in 2016.

Operating results (EBIT) amounted to 18,900 thousand Euros, representing an increase of 13.8% in relation to 16,605 thousand Euros reached in 2016.

As disclosed to the Portuguese Securities Market Commission (CMVM) in 19 September 2017, Ramada Group sold in 2017 its shareholding in Base Group after the decision of non-opposition by the Competition Authority

The capital gains arising from the referred operation, as well as the effects of the application of the equity method in 2017, were recorded in the income statement under the caption “Income from Investments”.

Negative financial results amounted to 1,651 thousand Euros, representing an improvement of 12.3%, when compared with 2016.

INDUSTRY

	2017	2016	Var. %
Total income	**151,717**	130,817	16.0%
Total costs (a)	**132,367**	114,755	15.3%
EBITDA (b)	**19,350**	16,062	20.5%
EBITDA Margin	**12.8%**	12.3%	
EBIT (c)	**13,726**	11,665	17.7%
EBIT Margin	**9.0%**	8.9%	
Financial Results	**(587)**	(455)	28.9%
Gains / Losses in associated companies	**42,527**	2,028	1996.9%
Net profit before income tax	**55,666**	13,238	320.5%

Amounts in thousands of Euros

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA= earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

In 2017, the turnover of the industry segment reached 151,717 thousand Euros, thus reflecting an increase of 16.0% in relation to 2016.

EBITDA of the industry segment in 2017 reached 19,350 thousand Euros, representing an increase of 20.5% when compared with 16,062 thousand Euros in 2016.

EBITDA margin of the Industry segment increased from 12.3% to 12.8%.

Earnings before interest and taxes (EBIT) reached 13,726 thousand Euros, representing an improvement of 17.7% when compared to 11,665 thousand Euros in 2016.

REAL ESTATE

	2017	2016	Var. %
Total income	**6,502**	6,529	-0.4%
Total costs (a)	**1,022**	1,265	-19.2%
EBITDA (b)	**5,481**	5,263	4.1%
EBIT (c)	**5,174**	4,941	4.7%
Financial results	**(1,064)**	(1,428)	-25.5%
Net income before income tax	**4,110**	3,514	17.0%

Amounts in thousands of Euros

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA= earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

In 2017, the total turnover of the Real Estate segment amounted to 6,502 thousand Euros, representing a slight decrease in relation to the prior year.

The rents obtained with the long-term renting of the forest land represent more than 95% of the total turnover of the Real Estate segment.

In 2017 Real Estate segment's EBITDA reached 5,481 thousand Euros, representing an increase of 4.1% in relation to 2016.

Real Estate segment EBIT amounted to 5,174 thousand Euros, representing an increase of 4.7% in relation to 2016.

Financial results of the Real Estate segment, in 2017, amounted to negative 1,064 thousand Euros, representing an improvement of 25.5% compared with negative 1,428 thousand Euros reached in 2016.

Real Estate segment net profit before income tax reached 4,110 thousand Euros in 2017, representing an increase of 17.0% in relation to 2016.

INVESTIMENTS AND DEBT

Ramada investments in fixed assets (CAPEX) in 2017 amounted to, approximately, 7 million Euros.

The nominal net debt of Ramada Group as of 31 December 2017, reached 7,872 thousand Euros (72,973 thousand Euros as of 31 December 2016).

On 25 July 2017, the Group F. Ramada sold all its treasury share. The total amount of the transaction amount to 18 million Euros, which allowed the Group to improve the Consolidated Equity in that amount

ACTIVITY DEVELOPED BY THE NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

During the financial year of 2017, the non-executive directors of the Company have regularly and effectively developed the functions demanded by law, namely through monitoring and evaluating the activities of the Executive Directors.

Among others, the non-executive Directors have regularly and actively attended the Board of Directors meetings, discussing the matters under consideration and expressing their respective opinions on the Group's strategic guidelines. Whenever necessary, they maintained a close contact with the financial and operational key staff of the Group companies. In this financial year, and during the Board of Directors' meetings, the executive members provided all the information required by the remaining members of the Board of Directors.

SUBSEQUENT EVENTS

On 20 March 2018, Ramada Investimentos had informed the regulated market Euronext Lisbon, that the Group has reached an agreement with the Averys Group, to sell the share capital of its wholly owned subsidiary Ramada Storax, S.A.

The transaction will amount to 75 million Euro (Enterprise Value) being estimated that, under the terms of the signed agreement, a capital gain of around 60 million Euro will be generated.

The transaction is subject to prior notification to the Competition Authority, under the terms established in the competition legal regime and, therefore, contingent to the decision of non-opposition by the Competition Authority, being its conclusion estimated to occur until the end of the first semester of 2018.

OUTLOOK FOR 2018

Investments made between 2015 and 2017 in the steel business were aimed at increasing operational efficiency, production capacity and expanding the range of products and services.

Considering this fact together with the expected positive evolution of the moulds sector in Portugal and the full consolidation of the newly acquired Socitrel, the Ramada Group expects to improve its activity for the year 2018.

PROPOSAL OF THE BOARD OF DIRECTORS FOR APPROPRIATION OF THE NON-CONSOLIDATED NET PROFIT FOR THE YEAR

F. Ramada Investimentos, SGPS, SA, as holding company of the Group, recorded in its individual financial statements, which were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, a net profit of 51,346,875.12 Euro, for which, in accordance with the applicable legislation and the Company's articles of association, the Board of Directors proposes to the Shareholders General Meeting the following allocation:

Legal reserve	2,567,343.76
Dividends	48,779,531.36

	51,346,875.12
	===========

The Board of Directors of F. RAMADA – INVESTIMENTOS, SGPS, S.A. also proposes to the Shareholders General Meeting the distribution of free reserves amounting to 8,400,922.21 Euro under the form of dividends, in addition to the mentioned profit distribution of the year.

The proposed distribution corresponds to a dividend payment of 2.23 Euro per share.

RAMADA INVESTMENTS AND INDUSTRY

CORPORATE GOVERNANCE

80 Years investing in industry

From steel to engineering and storage solutions, our brands reflect our know-how.

80 YEARS
Investing in industry

CORPORATE GOVERNANCE

PART I – INFORMATION ON SHAREHOLDER, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDERS STRUCTURE

I. Capital structure

1. Capital structure

F. Ramada – Investimentos, SGPS, S.A. ("Company" or "Ramada Investimentos") share capital amounts to 25,641,459.00 Euros, fully subscribed and paid, consisting of 25,641,459 ordinary, registered and bearer shares with a nominal value of one Euro each.

From the total issued voting rights, 83.32% are, as far as the Company is aware, attributed to the holders of qualifying holdings listed in sub-section II.7.

All the shares representing the share capital are admitted to negotiation on the regulated market Euronext Lisbon.

2. Restrictions on the transfer and ownership of shares

Ramada Investimentos' shares have no restrictions on their transfer or on their ownership since there are no shareholders owning special rights. Therefore, Ramada Investimentos' shares are freely transmittable in accordance with the applicable legal standards.

3. Own shares

Pursuant to the purposes of the article 66 of the Commercial Companies Code, the Directors inform that as of 31 December 2017 the Company didn't hold any of its own shares.

4. Important agreements in which the company is a party and which come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects

There are no significant agreements engaged by Ramada Investimentos, including any clauses of control change (for instance, after a takeover bid), that is, which are effective, amend or terminate under such circumstances. Also, there are no specific conditions which limit the exercise of voting rights by shareholders of the Company or other matters that may interfere with the success of takeover bids.

Some financing agreements contain standard clauses of early repayment in the case of a change of shareholder control in subsidiaries (and not of the Company).

5. Regime that is subject to the renewal or withdrawal of defensive measures, particularly those that foresee a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders

Ramada Investimentos did not adopt any defensive measures.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights

It is unknown the existence of any shareholders' agreements involving the Company

II. Shares and bonds held

7. Qualified holdings

As of 31 December 2017, pursuant to the requirements of articles 16 and 20 of the Securities Code ("Código dos Valores Mobiliários") and article 448 of the Portuguese Companies Act, the Company informs that, in accordance with the notifications received, the companies and/or individuals that hold qualifying holdings exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, are as follows:

Santander Asset Management	Nr of shares held on 31-dec-2017	% Share capital with voting rights
Directly	631,943	2.46%
Total attributable	**631,943**	**2.46%**

Magallanes Value Investors	Nr of shares held on 31-dec-2017	% Share capital with voting rights
Directly	894,128	3.49%
Total attributable	**894,128**	**3.49%**

1 Thing, Investments,SA	Nr of shares held on 31-dec-2017	% Share capital with voting rights
Directly	2,565,293	10.004%
Total attributable	**2,565,293**	**10.004%**

Domingos José Vieira de Matos	Nr of shares held on 31-dec-2017	% Share capital with voting rights
Through Livrefluxo, S.A. (of wich he is dominant shareholder and director)	2,606,124	10.164%
Directly	512,284	1.998%
Total attributable	**3,118,408**	**12.162%**

Paulo Jorge dos Santos Fernandes	Nr of shares held on 31-dec-2017	% Share capital with voting rights
Through Actium Capital - SGPS, S.A. (of wich he is dominant shareholder and director)	4,009,402	15.64%
Total attributable	**4,009,402**	**15.64%**

Ana Rebelo Carvalho Menéres de Mendonça	Nr of shares held on 31-dec-2017	% Share capital with voting rights
Through PROMENDO, S.A. (of wich he is dominant shareholder and directora)	4,845,383	18.90%
Total attributable	**4,845,383**	**18.90%**

João Manuel Matos Borges de Oliveira	Nr of shares held on 31-dec-2017	% Share capital with voting rights
Through CADERNO AZUL, S.A. (of wich he is shareholder and director)	5,300,000	20.67%
Total attributable	**5,300,000**	**20.67%**

Ramada Investimentos was not informed of any participation exceeding 33% of the voting rights.

8. Number of shares and bonds held by members of the management and supervisory boards, under the terms of the number 5 of article 447 of the Commercial Companies' Code (CSC)

The shares and bonds held by members of management and supervisory bodies in the Company and in companies in a relationship of control or group with the Company, directly or through related persons, are disclosed in the appendices to the

Management Report as required by Article 447 of the Commercial Companies Code (CSC) and by the number 7 of Article 14 of Regulation 5/2008 of the Portuguese Securities Market Commission (CMVM).

9. Powers of the Board of Directors, regarding resolutions on capital increases

Article 4 of the Company's by-laws, in the wording assumed at the time of incorporation of the Company (June 1, 2008), assigned to the Board of Directors powers to manage and represent the Company and carry out all operations related to its corporate purpose, including, among others, the possibility to decide, with the prior opinion of the supervisory board of the Company, towards capital increases, by one or more occasions, up to 35 million Euros in cash.

This bylaw, in the terms of number 2 of Article 456, paragraph b) of CSC, was valid for five years, not being renewed in the terms of number 4 of the same Article. Therefore, its effectiveness ceased in March 31, 2013, date in which such power was exclusively transferred to the General Meeting.

10. Significant business relationships between the holders of qualified shares and the Company

In 2017, there were no businesses or significant transactions between the Company and holders of qualifying shareholdings except those that, as part of normal operations, were performed in normal market conditions for similar transactions. However, it is worth noting that the amounts involved are not significant.

B. CORPORATE BOARDS AND COMMITTEES

I. GENERAL MEETING

a) Composition of the Board of the General Meeting

11. Detail and position of the members of the Board of the General Meeting and respective term of office

As of 31 December 2017, the Board of the General Meeting was composed by the following members:

Chairman: Manuel Eugénio Pimentel Cavaleiro Brandão

Secretary: Maria Conceição Henriques Fernandes Cabaços

The mandate began in 2017 and will end in 2019.

b) Exercise of the right to vote

12. Potential restrictions on voting rights

The share capital of the Company is fully represented by a single class of shares, with one vote corresponding to each share, and with no statutory limitations on the number of votes that may be held or exercised by any shareholder.

The Company has not issued preferred shares without voting rights.

The participation of shareholders at the General Meeting is dependent, under the law, upon proof of ownership of the shares by reference to the "Record Date".

Individual shareholders with voting rights and companies who are shareholders of the Company may be represented by the person designated for that purpose. The representation should be communicated to the Chairman of the General Meeting in writing until the end of the third working day prior to the day scheduled for the meeting.

A shareholder may appoint different representatives for the shares owned in different securities accounts, provided that it does not affect the principle of voting unity and of voting in different directions allowed to shareholders acting as professional investors.

Shareholders can exercise voting rights via postal voting on all matters subject to the General Meeting which may be exercised by written declaration, together with the identification of the shareholder and his signature duly recognized, as required by law. According to the bylaws, the declaration of intention to cast postal votes and the supporting document proving the quality of shareholder must be delivered in the Company's headquarters, until the end of the third working day prior to the day scheduled for the meeting, with identification of the sender, addressed to the Chairman of the General Shareholders' Meeting. The possibility to exercise voting rights by electronic means is still not provided. In that regard, the Company has not yet triggered the mechanisms required for its implementation since this modality was never requested by any shareholder and considering that this circumstance does not constitute any constraint or restriction on the exercise of voting rights by shareholders.

The Company discloses, within the legal time limits and in all places requested by law, in Portuguese and English, the due call for the General Meetings, which contains information on how to enable the shareholders to participate and exercise their right to vote and also about the procedures to be followed for voting by correspondence or designated representatives. The Company also discloses, as required by law, the resolution proposals, preparatory information and the minutes of the letter of representation and voting forms for postal voting, in order to ensure, promote and encourage shareholder participation, by them or representatives designated by them, in the General Meetings.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in number 1 of Article 20

There is no limitation on the number of votes that can be held or exercised by a single shareholder or group of shareholders.

14 Shareholders' resolutions which, according to the bylaws, may only be taken with a qualified majority

According to the bylaws of the Company, the corporate decisions are taken by majority vote, whatever the percentage of share capital represented at the meeting, except when a different majority is required by law.

In a second call, the General Meeting may decide independently of the number of shareholders present and the capital they represent.

The deliberative quorum of the General Meeting is in accordance with the Portuguese Companies Act (CSC).

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the corporate governance model adopted

Ramada Investimentos adopts the governance model called monist, which includes a management structure centralized in a Board of Directors, a centralized Supervisory Board and a Statutory Auditor.
The Board of Directors is thus the body responsible for the management of the Company's business in achieving its social object.

16. Bylaws' regulation on procedural requirements governing the appointment and replacement of members of the Board of Directors, when applicable

The Members of the Board of Directors of the Company are appointed by the Shareholders' General Meeting for a three years' mandate and may be re-elected one or more times.

The Board of Directors consists of three to nine members, shareholders or not, elected by the Shareholders' General Meeting.

At the General Shareholders' Meeting elections, one, two or three Directors shall be elected individually among the candidates proposed on the lists endorsed by groups of shareholders, depending on whether the total number of Directors is three or four, five or six, or seven or more than seven, provided that none of these groups owns shares representing over 20% or less than 10% of the share capital. Each of the referred lists shall propose at least two candidates eligible for each one of the available posts, one of them being nominated as substitute. No shareholder may endorse more than one of the mentioned lists. If more than one list exists, the voting will focus over the different lists.

The General Shareholders' Meeting may not proceed to the election of any further Directors until one, two or three have been elected, as per the dispositions above, unless the abovementioned lists have not been presented. In the case of a missing elected Director, the respective substitute shall be called. In the case of there being no substitute, a new election shall be called, in which the dispositions above shall be applied with the necessary adaptations.

17. Composition of the Board of Directors

The Board of Directors is currently made up of 5 members who are responsible for carrying out all the management functions to implement the operations inherent to its corporate goals, acting in the best interests of the Company, its shareholders and other stakeholders. As of 31 December 2017 this corporate board was composed of the following members:

João Manuel Matos Borges de Oliveira – Chairman
Paulo Jorge dos Santos Fernandes – Member
Domingos José Vieira de Matos – Member
Pedro Miguel Matos Borges de Oliveira – Member
Ana Rebelo de Carvalho Menéres de Mendonça – Member (non-executive)

All Board of Directors' members were appointed by the Shareholder's General Meeting held in 26 April 2017 for the period 2017/2019.

NAME	FIRST APPOINTMENT	END OF MANDATE
João Manuel Matos Borges de Oliveira	June 2008	31 December 2019
Paulo Jorge dos Santos Fernandes	June 2008	31 December 2019
Domingos José Vieira de Matos	June 2008	31 December 2019
Pedro Miguel Matos Borges de Oliveira	May 2009	31 December 2019
Ana Rebelo de Carvalho Menéres de Mendonça	May 2009	31 December 2019

18. Distinction to be drawn between executive and non-executive Directors and, as regards non-executive members, details of members that may be considered independent

As of 31 December 2017, the Board of Directors' included one non-executive member: Ana Rebelo de Carvalho Menéres de Mendonça.

The Board Directors does not include any member who satisfies the standard of independence referred in recommendation II.1.7 of Corporate Governance Code issued by the Portuguese Securities Regulator (CMVM) since the non-executive director Ana Rebelo Carvalho Mendonça holds a qualifying holding.

To provide the non-executive directors with an independent and informed decision, the Company has the following mechanisms:

- Notices of meetings of the Board of Directors sent to all directors, including the agenda, even if provisory, for the meeting, accompanied by all the relevant information and documentation;
- The availability of executive directors to provide to non-executive directors any additional information which they consider relevant or necessary, and to carry out studies and more in-depth analysis in relation to all matters to be decided upon or under review in some way, within the Company;
- Availability of books of minutes, records, documents and other backgrounds of operations of the Company or its subsidiaries, for examination, as well as the provision and promotion of a direct channel for obtaining information from the managers and operational and financial officers of several companies that are part of the Group, without requiring any intervention of the executive directors in this process.

Given the corporate model adopted and the composition and modus operandi of its governing boards, including the independence of the supervisory boards, without delegation of powers among them, the Group considers that the designation of independent directors to the Board would not yield significant improvements for the proper functioning of the corporate governance model, which has revealed itself proper and efficient.

The Management Report includes in its chapter "Activity developed by the non-executive members of the Board", a description of the activity of the non-executive Directors during 2017.

19. Professional qualifications and other relevant curricular information of the members of the Board of Directors

The qualifications, experience and positions held in other Companies by the members of the Board of Directors are presented in Appendix I.

20. Recurring and meaningful family, professional or business relationships of members of the Board of Directors with shareholders entitled to qualifying holdings that are greater than 2% of the voting rights

The President of the Board of Directors, João Manuel Matos Borges de Oliveira is a director and shareholder of CADERNO AZUL - SGPS, S.A., company which owns a stake of 20.67% in the capital of Ramada Investimentos.

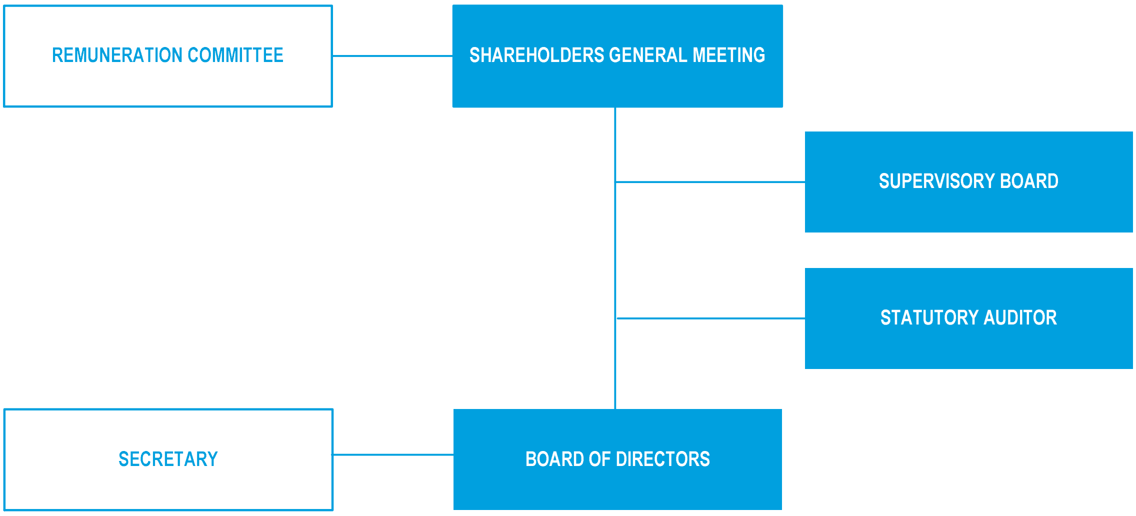
Pedro Miguel Matos Borges de Oliveira is the President of the Board of Directors of the Company 1Thing Investments S.G.P.S., S.A., holder of a 10.004% stake in the capital of Ramada Investimentos, and is brother of the director João Manuel Matos Borges de Oliveira.

Paulo Jorge dos Santos Fernandes is a director and controlling shareholder of the company ACTIUM CAPITAL - SGPS, S.A., company which owns 15.64% of the share capital of Ramada Investimentos.

The company Promendo SGPS, S.A., holder of 18.90% of the share capital of Ramada Investimentos has as its director and dominant shareholder Ana Rebelo de Carvalho Menéres Mendonça, non-executive director of Ramada Investimentos.

The director Domingos José Vieira de Matos is director and dominant shareholder of LIVREFLUXO - SGPS, S.A., company which owns 12.162 % of the share capital of Ramada Investimentos, of which 10.164% are held by LIVREFLUXO, S.A., and 1.998% are owned directly by the director.

21. Organizational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly regarding the delegation of the company's daily management



The Board of Directors develops its management and coordination functions of the Group companies on a collective basis and is currently made up of a president and five members, one of them being non-executive.

The Board of Directors has been exercising its activity in constant dialogue with the Supervisory Board and the Statutory Auditor, providing the requested assistance with transparency and rigor, complying with the regulations and best practices on corporate governance.

There is no limit to the maximum number of positions that the Board members can accumulate as directors of other companies. The members of Ramada Investimentos' Board of Directors are, in most cases, part of the management of the most significant Group companies, to enable their activities to be more closely monitored.

The Board of Directors believes that due to its organizational structure, size and complexity, the only imperative specialized commission is the Remuneration Committee, as explained below in sub-section 28.

The Remuneration Committee is the body responsible for performance evaluation and approving the remuneration of Board members and other corporate bodies, in compliance with the remuneration policy of the Company, approved by shareholders in General Meetings.

Ramada Investimentos' Corporate Finance department, given its integrated and cross-sectional view at the level of all the companies in the Group, is responsible, on one hand, for the definition of financial management strategies and policies and, on the other hand, for securing the interface with capital, debt and banking markets. Ramada Investimentos' Corporate Finance is also in charge of developing mechanisms necessary to implement the outlined financial management strategies and policies.

The planning and management control area supports the implementation of corporate and/or business strategies followed by the Group. This area prepares and analyses management information at the level of all companies in the Group, as well as at the consolidation level, on monthly, quarterly, semi-annual and annual basis, ensuring the monitoring of deviations from the budget and the enforcement of the necessary corrective measures. It also bears the responsibility of building business plans and integrating multidisciplinary work teams created for this purpose, activities which it develops alongside with the permanent development of technical and benchmarking studies about existing businesses in order to monitor the performance of Ramada Investimentos considering its strategic position.

The legal area provides legal support to all the areas of the Group activity, monitoring and ensuring, on one hand, the legality of the operations, and ensuring, on the other hand, the relations with Euronext Lisbon, with CMVM and the shareholders when in presence of legal matters. This area is also responsible for monitoring the corporate governance policy in order to achieve the best practices in this area. This area will also have the responsibility of not only drawing and analysing contracts which maximize safety and reduce legal risks and other potential costs for the Company, but also managing issues relating to intellectual and industrial property used by the Group, such as patents and trademarks, logos, domains and copyright, while still exercising the corporate secretarial functions on a permanent monitoring of legal compliance, supporting the Board of Directors on the implementation of its strategies.

The area of investor relations establishes the relationship between the Group and the financial community, permanently disseminating relevant and updated information about its activity. This area is also responsible for assisting the Board of Directors in providing updated information to the capital markets, as well as aiding the management of institutional relations of Ramada Investimentos, establishing permanent contact with institutional investors, shareholders and analysts and representing the Group in associations, forums and events (national or internationally).

In addition, the operating companies of Ramada Investimentos have their own management bodies of control that exercise their activity at all levels of the subsidiary companies and prepare monthly reports periodically reported to the respective Boards of Directors.

The distribution of functions between the various members of the Board of Directors is carried out as follows:

- João Manuel Matos Borges de Oliveira – Chairman
- Paulo Jorge dos Santos Fernandes – Member
- Domingos José Vieira de Matos – Member
- Pedro Miguel Matos Borges de Oliveira – Member
- Ana Rebelo de Carvalho Menéres de Mendonça – Member (non-executive)

Generically, Ramada Investimentos' Directors focus their activities in managing the Group holdings and defining its strategic development guidelines. The strategic decisions are adopted by the Board including all its members, executives and non-executives, in the normal accomplishment of their duties.

The daily management of each subsidiary is a responsibility of its Board of Directors, which includes some of Ramada Investimentos' Directors but also some other members with defined functions.

Taking into consideration the activities developed by the members of the Board of Directors, both in Ramada Investimentos and in the other several subsidiaries, the functional organizational chart can be presented as follows:

João Borges Oliveira
President

Paulo Fernandes
Domingos Matos
Pedro Borges Oliveira
Ana Rebelo Mendonça
Members of the Board of Directors

b) Functioning

22. Existence and place where rules on the functioning of the Board of Directors may be conferred

The Board of Directors and the Supervisory Board approved regulations are available on the website of the Company: www.ramadainvestimentos.pt - tab "Investors" - section "Governance".

23. Number of meetings held and the attendance report for each member of the Board of Directors

The Company's bylaws stipulate that the Board of Directors shall meet whenever convened by its chairman, on his own initiative or at the request of any other officer and at least once a month.

During 2017, the Board of Directors met twelve times and assiduity corresponded, in all meetings, to 100%.

The meetings of the Board are scheduled and prepared in advance, and timely documentation relating to the matters in agenda is provided, in order to ensure that all members of the Board have the conditions for an informed exercise of their functions. Similarly, minutes of meetings, once approved, and the respective notices of meeting are forwarded to the Chairman of the Supervisory Board.

24. Details of corporate boards responsible for undertaking the performance appraisal of executive directors

The performance assessment of Executive Directors is a responsibility of the Remuneration Committee and is based on the functions performed by them in Ramada Investimentos and in its subsidiaries, in compliance with the remuneration policy of the Company, approved by the shareholders in General Meetings.

The assessment is based on the functions performed by members representing the Board of Directors and other corporate bodies in Ramada Investimentos, considering the responsibilities assumed by each of these members, the value added by each and the accumulated knowledge and experience on the job.

25. Predefined criteria for assessing executive directors' performance

The remuneration of executive members of the Board of Directors includes a variable medium-term component (calculated over three mandates 2011 to 2019), based on shareholders' total return (share appreciation plus paid dividends), on the sum of the net profit for that period (2011 to 2019) and on the evolution in the Company's business.

26. Availability of each member of the Board of Directors and details of the positions held at the same time in other Companies within and outside the Group, and other relevant activities undertaken by members of these boards throughout the financial year

The professional activity of the current members of Ramada Investimentos' Board of Directors, with reference to other companies where they have similar functions and other relevant activities undertaken are presented in Appendix I.

However, it should be noted that the members of the Board of Directors showed their total commitment and availability in the exercise of their functions, being present and participating in 100% of the Board's meetings.

c) Committees within the Board of Directors

27. Details of the committees created within the Board of Directors and place where the functioning regulation may be consulted

The Board of Directors believes that the only imperative specialized committee required to fulfil the essential needs of the Company, considering its size and nature, is the Remuneration Committee.

Ramada Investimentos has set a Remuneration Committee for the period 2017/2019, whose composition is as follows:

João da Silva Natária – Chairman

André Seabra Ferreira Pinto – Member

Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

The Remuneration Committee has a valid operating regulation for the current term, approved at a proper meeting and which is available for consultation on the Company's website (www.ramadainvestimentos.pt - tab "Investors" - section "Corporate Governance").

28. Composition, if applicable, of the executive board and/or identification of board delegates

Ramada Investimentos, considering its organizational structure, and the small size of the Board of Directors, composed by five members, considers the formal appointment of an Executive Committee within the Board of Directors as unnecessary.

Nevertheless, as stated in section 18 of this report, from the total of five members of the Board of Directors, four perform executive functions, ensuring the following:

- Notices of meetings of the Board of Directors sent to all directors include the agenda, even preliminary, of the meeting, and are accompanied by all the relevant information and documentation;
- Availability of Executive Directors to provide to non-executive Directors any additional information which they consider relevant or necessary, and to carry out further studies and analyses in relation to all matters which are subject to deliberation or that are under review in some way, in the Company;

- The non-executive Directors have wide powers to obtain information on any aspect of the Company, to examine its books, records, documents and other historic facts of the Company's operations. They can request relevant information directly to the Directors and to the financial and operating senior staff of all Group companies, without requiring any intervention of the Executive Directors in this process.

Therefore, the Company considers that the necessary conditions for decisions on strategic matters taken by the Board of Directors as a body composed by all its members, executive and non-executive, are guaranteed in the normal exercise of their duties, in an enlightened and informed way, totally focused on creating value for shareholders.

Nonetheless, the Board has regularly reflected on the adequacy of its organizational structure, permanently concluding that its structure is aligned with the best corporate governance practices, which has been materialized in a positive performance.

29. Description of the competences of each of the committees established and summary of activities undertaken in the exercise of such competences

As mentioned in the sections 27 and 28, the Board of Directors believes that the only specialized committee indispensable to the satisfaction of the needs of the Company, considering its size, is the Remuneration Committee.

According to the Company's bylaws, the Remuneration Committee is the corporate body responsible for the performance evaluation and approval of the remuneration of Board members and other corporate bodies, in compliance with the remuneration policy of the Company, approved by shareholders in General Meeting.

The performance assessment of Executive Directors belongs to the Remuneration Committee and is based on the functions performed by them in Ramada Investimentos and in the Group, as well as the responsibility and the added value by each one of the Directors and the accumulated experience and knowledge on their functions.

III. SUPERVISION

a) Composition

30. Details of the Supervisory Board representing the model adopted

The Supervisory Board and Statutory Auditor are the supervision bodies of the Company.

31. Composition of the Supervisory Board with details of minimum and maximum number of members according to the bylaws, duration of the term of office, number of effective members, date of first appointment, and date of end of the term of office for each member

The Supervisory Board is appointed by the Shareholders' General Meeting, for a three years' mandate, composed of three members and one or two substitutes, responsible for the supervision of the Company and the appointment of the Statutory Auditor.

For the period 2017/2019, the Supervisory Board was composed by the following members:

Pedro Nuno Fernandes de Sá Pessanha da Costa – Chairman

António Luís Isidro de Pinho – Member

Guilherme Paulo Aires da Mota Correia Monteiro – Member

André Seabra Ferreira Pinto – Substitute

The current members of the Supervisory Board were appointed for the first time in April 2017.

32. Details of the members of the Supervisory Board which are considered to be independent pursuant to the number 5 of article 414 of the Portuguese Companies Act (CSC)

As a collective board, the independence assessment of the Supervisory Board is made to all who compose it, given the application of the number 6 of Article 414 of the Portuguese Companies Act, considering independence in accordance with the definition that is given by the number 5 of article 414 and incompatibility according to definition of the number 1 of article 414-A, both of the Portuguese Companies Act. All members who compose the Supervisory Board comply the rules of incompatibility and independence identified above.

33. Professional qualifications of each member of the Supervisory Board and other important curricular information

Regarding the skills and experience to exercise these functions, all members are considered to have the appropriate skills to fulfil their duties and the chairman is adequately supported by the other members of the Supervisory Board. Appendix I presents the qualifications and professional activities of the members of the Supervisory Board.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board may be viewed

The Supervisory Board regulations are available on the website of Ramada Investimentos (www.ramadainvestimentos.pt - tab "Investors" - section "Corporate Governance").

35. Number of meetings held and the attendance report for each member of the Supervisory Board

During the financial year of 2017, the Supervisory Board of the Company met 6 times, with only one absence in one meeting, which was properly justified, and the corresponding minutes are recorded in the minutes' book of this body.

36. Availability of each member of the Supervisory Board indicating the positions held simultaneously in other Companies inside and outside the Group, and other relevant activities undertaken by members of this Board throughout the financial year

The members of Supervisory Board showed availability in the exercise of their duties attending and participating in almost all meetings of the Board, with only one absence, properly justified. The information regarding other undertaken positions, qualifications and professional experience of the Supervisory Board members are detailed on Appendix I.

c) Powers and duties

37. Description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the External Auditor

The Supervisory Board analyses and approves the nature of other additional services, evaluating if the independence of the External Auditor is ensured.
The Supervisory Board, exercising its functions, carries out an annual evaluation of independence of the External Auditor, particularly regarding non-audit services. Additionally, the Supervisory Board receives, on an annual basis, the declaration of independence of the Auditor where the services rendered by it and by other entities of the same network are described, their fees, possible threats to their independence and safeguard measures. All threats to the independence of the Auditor are evaluated and discussed with him as well as the respective safeguard measures.
The Board of Directors, when requesting projects assigned to the Group companies' auditors, ensures, before its adjudication, that no services are requested to them or to their network that, in accordance with the recommendation of the European Commission No. C (2002) 1873, of 16 May, would threaten their independence.

38. Other duties of the supervisory Board

The supervision of the Company is assigned to the Supervisory Board, as provided by article no. 420 of the Portuguese Companies Act.

The Supervisory Board also represents the Company regarding the External Auditor and the Statutory Auditor and is responsible for proposing the provider of these services, their remuneration and to ensure that they are guaranteed, within the Group, in suitable conditions for them to provide their services. The Supervisory Board is the first recipient of the reports issued by the External Auditor as well as the Group's representative in the relationship with that entity.

The Supervisory Board is responsible for preparing an annual report on its activity and for giving an opinion on the annual report and proposals presented by the Board of Directors as well as monitor the effectiveness of risk management and internal control.

The Board of Directors, together with the Supervisory Board, regularly reviews and oversees the preparation and disclosure of financial information in order to prevent access, improperly and untimely of third parties to relevant information.

Additionally, the Supervisory Board issues an opinion on transactions between the Directors of Ramada Investimentos and the Company or between Ramada Investimentos and companies in a group or domain relationship with the one in which the interested part is Director, regardless of the amount, under article 397 of the Portuguese Companies Act.

The External Auditor, within the annual audit, analyses the functioning of the internal control mechanisms and reports deficiencies identified; verifies that the key elements of internal control systems and risk management implemented in the Company in relation to the process of financial reporting are presented and disclosed in the annual Corporate Governance Report and issues a legal certification of accounts and audit report, which certifies whether that report disclosed about the structure and practices of corporate governance includes the elements referred in Article 245-A of the Securities Code.

During 2017, the Statutory Auditor monitored the development of the Company's activity and carried out the tests and inspections deemed necessary to the review and legal certification of the accounts, in interaction with the Supervisory Board and with full cooperation of the Board of Directors.

In addition, the Statutory Auditor pronounced itself on the work it developed in 2017 in its annual audit report subject to the assessment of the Shareholders' Annual General Meeting.

IV. STATUTORY AUDITOR

39. Details of the Statutory Auditor and its representing partner

The Statutory Auditor of the Company for the period 2017/2019 is Ernst & Young Audit & Associados – SROC, S.A., represented by Rui Manuel da Cunha Vieira our Rui Abel Serra Martins.

40. Number of years that the statutory auditor consecutively carries out duties within the Company and/or Group.

Ernst & Young Audit & Associados – SROC, S.A. is responsible for the functions of Statutory Auditor since 2017.

41. Description of other services that the statutory auditor provides to the Company

The Statutory Auditor is simultaneous the External Auditor of the Company as detailed in the sub-sections below.

V. EXTERNAL AUDITOR

42. Details of the external auditor appointed in accordance with article 8 and the representing partner carrying out these duties, and the respective registration number at the CMVM

The External Auditor of the company is Ernst & Young Audit & Associados – SROC, S.A., appointed in accordance with article 8 of the Securities Code (CVM), registered under the number 178 in the Portuguese Securities Regulator (CMVM), represented by Rui Manuel da Cunha Vieira or by Rui Abel Serra Martins.

43. State the number of years that the External Auditor and the respective representing partner carries out duties within the Company and/or Group

The External Auditor was elected for the first time in 2017 and is in its first mandate. Its representing partner is in duty since 2017.

44. Policy and schedule regarding the rotation of the external auditor and the respective partner which represents it in carrying out such duties

Regarding the External Auditor's rotation, the Company did not have an external auditor rotation policy approved, based in a pre-determined number of terms, having in consideration that a rotation policy was not a regular practice and also taking in consideration the disadvantages of such rotation. With the approval of the new constitution of the Order of Statutory Auditors, approved by the law number 140/2015, from September 7, this rotation is mandatory.

The policy adopted by the Supervisory Board on this matter, until that approval, has been, previously to the presentation of proposals for the election of the External Auditor for a new term, to carry out a thorough evaluation of the external auditor performance and also the advantages and drawbacks of the maintenance in functions of that auditor, and not just adopted the principle of rotation at the end of three terms, because from that evaluation resulted the conviction that keeping the same auditor beyond that period did not endanger the required and necessary independence of the Auditor.

With the effectiveness of the new Regime of the Statutory Auditors Bar, as of January 1, 2016, there is a new regime applicable to external auditor's rotation in the case of public interest entities, which is applicable to the Company. The Supervisory Board initiated the election process, during 2016, in order to choose a new Statutory Auditor to be elected in the Annual General Meeting of 2017. At present, the policy and periodicity of rotation of the external auditor follow the legal provisions provided for in Law number 140/2015.

45. Details of the board responsible for assessing the external auditor and the regular intervals when said assessment is carried out

The Supervisory Board, in the fulfilment of its functions, annually assesses the External Auditor independence. Additionally, the Supervisory Board promotes whenever necessary or appropriate considering developments in the Company's business or the evolution of the market, a reflection on the adequacy of the External Auditor to carry out its duties.

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment

No external audit services were provided by the external auditor in 2017.

47. Details of the annual remuneration paid to the auditor and other single or collective entities belonging to the same network and the percentage breakdown relating to the following services:

	2017	%	2016	%
Company				
Audit and statutory audit (€)	13,000	19.5%	13,110	5.0%
Other assurance services (€)	-	0.0%	-	0.0%
Tax conculting services (€)	-	0.0%	-	0.0%
Other services (€)	-	0.0%	-	0.0%
Group entities				
Audit and statutory audit (€)	66,500	100.0%	126,886	48.8%
Annual accounts	66,500		83,390	
Interim accounts	-		43,496	
Other assurance services (€)	-	0.0%	2,000	0.8%
Tax conculting services (€)	-	0.0%	43,810	16.9%
Other services (€)	-	0.0%	87,250	33.6%
	66,500	119.6%	259,946	105.0%
Total				
Audit and statutory audit (€)	79,500	119.6%	139,996	51.3%
Other assurance services (€)	-	0.0%	2,000	0.7%
Subtotal assurance services (€)	79,500	119.6%	141,996	52.0%
Tax conculting services (€)	-	0.0%	43,810	16.0%
Other services (€)	-	0.0%	87,250	32.0%
	79,500	119.6%	273,056	100.0%

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules governing amendment of the bylaws

The statutory amendments follow the applicable legal terms, including the Portuguese Companies Act, which require a two-thirds majority of votes cast for the adoption of such resolution.

II. REPORTING OF IRREGULARITIES

49. Means and policy regarding the reporting of irregularities within the company

In Ramada Investimentos, as a result of the applicable legal dispositions, any reports of irregularities that consubstantiate violations of ethical or legal nature with significant impact in the fields of accounting, the fight against corruption and the financial and banking crime must be addressed to the Supervisory Board.

Irregularities relating to matters other than those mentioned above should be addressed to the Board of Directors.

Considering the proximity of the members of the Board of Directors to the activities of the several Group companies and the respective employees, Ramada Investimentos considers that such proximity allows that, whenever irregularities are detected, the Board of Directors is promptly informed, ensuring the implementation of procedures which handle in an effective and fair way the potential irregularities detected.

Regarding the competences in the evaluation of ethical issues and the corporate governance structure, such functions are performed directly by the Board of Directors, which maintains a constant debate over this matter.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems

Risk management, being a key issue of the principles of good corporate governance, is an area considered to be critical in Ramada Investimentos, promoting the permanent awareness of all employees, at all levels of the organization, and instilling such responsibility in them in all processes of decision-making.

Risk management is ensured by the several Ramada Investimentos' operating units based on a preliminary identification and prioritization of critical risks, through the development of risk management strategies in order to implement control procedures considered appropriate to reduce the risk to an acceptable level.

Ramada Investimentos has been monitoring the adequacy of this risk management model that has proved to be entirely appropriate given the organizational structure of the Company.

51. Detail of hierarchical and/or functional dependency in relation to other boards or committees of the company

The Supervisory Board is responsible for evaluating the functioning of the risk management operations and mechanisms. It is therefore responsibility of this corporate body the supervision of the actions carried out by the Company in these matters.

The External Auditor, in the exercise of its functions, checks the adequacy of the mechanisms and procedures adopted, ensuring the proper reporting of its conclusions to the Supervisory Board.

The Board of Directors is responsible for monitoring these mechanisms and procedures.

52. Other functional areas responsible for risk control

The Board of Directors is the body responsible for setting the overall strategic guidelines of the Group and is duly supported by the subsidiary management teams, ensuring not only the continuous monitoring, but also the reporting to the Board of Directors of Ramada Investimentos of the situations detected, in order to ensure continuous and effective risk controls.
Risk management is ensured by several operating units within the Company. The methodology of risk management includes several steps:

- Firstly, internal and external risks that may materially affect the Groups' strategic objectives are identified and prioritized;
- The operational management of the various business units identify risk factors and events that may affect the operations and activities of Ramada Investimentos, as well as any procedures and control mechanisms;
- Additionally, the impact and the probability of occurrence of each risk factor are weighted and according to the exposure level, the need to respond to the risk is evaluated; and
- The risk mitigation actions are tracked and the level of exposure to critical factors is constantly monitored.

The Board of Directors decides the level of exposure assumed by the Group at each moment in its various activities and, considering the delegation of tasks and responsibilities, sets the overall limits of risk and ensures that policies and procedures for risk management are followed.

In the monitoring of the risk management process, the Board of Directors, as the body responsible for Ramada Investimentos' strategy, has the following objectives and responsibilities:

- Be aware of the most significant risks affecting the Group;
- Ensure the existence within the Group of appropriate levels of knowledge of the risks affecting the operations and how to manage them;
- Ensure the disclosure of the risk management strategy at all levels of hierarchy;
- Ensure that the Group is able to minimize the likelihood and impact of risks in the business; and
- Certify that the risk management process is adequate and that it maintains a close monitoring of those risks with higher probability of occurrence and higher impact in the Group´s operations.

The subsidiaries manage their own risks, within the established criteria and delegations set by the Board of Directors.

53. Detail and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity

The Board of Directors considers that the Group is exposed to the normal risks associated with its operations, namely in its operating units. Therefore, the main risks considered by the Group are as follows:

Credit Risk

Like any activity involving a commercial component, the Group's exposure to credit risk is mainly due to the accounts receivable resulting from the Group's operating activity. This risk is monitored and controlled through a system for collecting financial and qualitative information, provided by entities that provide credible risk information, which allows customers to evaluate the feasibility of the fulfilment of their obligations, in order to minimize the risk associated with granting credit. Credit risk evaluation is performed on a regular basis through the analysis of the current economic conjuncture conditions, namely the credit situation of each company and, when necessary, the adoption of the corrective measures.

Market Risk

Interest Rate Risk

Considering the Group's debt, possible variations on the interest rate may have an unwanted impact on the results. Therefore, the Group adopts a balanced position between the cost of the debt and its exposure to the interest rate variability. When the reasonable risk is exceeded, the Group engages on interest rate swaps in order to reduce its exposure to risk and to restrict the potential volatility of results.

Exchange Rate Risk

The Company has transactions with non-resident companies with other currencies than the Euro. Therefore, every time that it is considered necessary to reduce the volatility of its net income, the Company hedges its exposure to exchange rate variation through the use of financial derivatives.

Risk of variability in commodities prices

By developing its activity in a sector which trades commodities (namely, steel), the Group is particularly exposed to price variations, with the corresponding impacts on its net income. Therefore, when it is considered crucial the reduction of such impact on its results, the Group may hedge its exposure to variability in prices through the use of financial derivatives.

Liquidity Risk

Liquidity risk can occur if the sources of financing, such as operating cash flows, cash flows of disinvestment, credit lines and cash flows from financing do not meet the financing needs, such as cash outflows for operating and financing activities, investment, shareholders returns and debt repayment.

The main objective of the liquidity risk management policy is to ensure that the Group is always in possession of the financial resources needed to meet its responsibilities and pursue the strategies outlined by honouring all commitments made to third parties when they become due, through proper management of the maturity of funding.

The Group adopts an active refinancing strategy focused on maintaining a high level of immediately available funds to meet short term needs and the extension or maintenance of debt maturity in accordance with the forecasted cash flows and the leveraging capacity of the balance sheet.

54. Description of the procedure for identification, assessment, monitoring, control and risk management

As mentioned in sub-section 52, the Board of Directors is the body responsible for setting the overall strategic guidelines of the Group, and is duly supported by the subsidiary management teams, ensuring not only the continuous monitoring, and the reporting to the Board of Directors of Ramada Investimentos of all the situations detected, to ensure continuous and effective risk controls.

The process of identification and evaluation, monitoring, control and risk management in Ramada Investimentos is performed as follows:

The risks that the Group faces in the normal course of its business are identified. For all identified risks, the impact on financial performance and the value of the Group is measured. The risk value is compared with the costs of hedging instruments, if available, and, consequently, the development of identified risks and the hedging instruments is monitored. This process is carried in compliance, as much as possible, with the following methodology:

- First, internal and external risks that may materially affect the Groups' strategic objectives are identified and prioritized;
- The operational management of the various business units identify risk factors and events that may affect the operations and activities of Ramada Investimentos, as well as any procedures and control mechanisms;
- Additionally, the impact and the probability of occurrence of each risk factor are weighted and according to the exposure level, the need to respond to the risk is evaluated; and

- The risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

The Company has implemented additional risk management strategies that aim to ensure, essentially, that the systems and control procedures and the established policies allow to answer management bodies' expectations, shareholders and other stakeholders' expectations.

Within these strategies we highlight the following:

- Systems and control procedures and policies are established in accordance with all applicable laws and regulations;
- The financial and operational information is complete, reliable, safe and reported on a regular and timely manner;
- Ramada Investimentos' resources are used efficiently and rationally; and
- The shareholder value is maximized and operational management takes the necessary measures to correct reported problems.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information

Concerning risk control in the disclosure of financial information process, the involvement within Ramada Investimentos' is limited to a very short number of employees.

All of those who are involved in financial analysis are considered as having access to privileged information, being especially informed about the content of their obligations as well as the sanctions resulting from the misuse of such information.

The internal rules for the disclosure of financial information are intended to secure its timing and to prevent the asymmetry of information within the market.

The system of internal control in areas of accounting and preparation and disclosure of financial information is based on the following key elements:

- The use of accounting principles detailed throughout the notes to financial statements is one of the basis of the control system;
- Plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that transactions are recorded only when properly authorized and that such transactions are recorded in accordance with generally accepted accounting principles;
- Financial information is analysed on a systematic and regular basis for the management of operational units, ensuring a permanent monitoring and control of its budget;
- During the process of preparing and reviewing financial information, a timetable for accounts closing is previously established and shared with the different areas involved, and all documents are reviewed in depth;
- At the level of individual financial statements of the various Group companies, the accounting records and the preparation of financial statements are provided by administrative and accounting services. The financial statements are prepared by an official chartered accountant and reviewed by the financial management of each subsidiary;
- The consolidated financial statements are prepared quarterly by the consolidation team. This process is an additional monitoring element of the reliability of financial reporting, particularly by ensuring the uniform application of accounting principles and procedures for cut-off of operations as well as balances and transactions check between Group companies;
- The consolidated financial statements are prepared under the supervision of the financial management. The annual report is sent for review and approval by the Board of Directors. After the approval, the documents are sent to the External Auditor, which issues the Statutory Audit and the Auditor's Report; and
- The process of preparing the financial information and consolidated directors' report is monitored by the Supervisory Board and by the Board of Directors. Each quarter, these corporate boards meet and analyse the individual and consolidated financial statements of the Company.

As regards to risk factors that could materially affect the accounting and financial reporting, we should highlight the use of accounting estimates that are based on the best available information during the preparation of financial statements as well as the knowledge and experience of past or present events. We also stress the balances and transactions with related parties: Ramada Group's balances and transactions with related parties essentially relate to the operational running of the Group companies as well as to granting and obtaining loans at market rates.

The Board of Directors, together with the Supervisory Board, regularly review and monitor the preparation and disclosure of financial information in order to prevent improper and untimely access of other persons to relevant information.

IV. INVESTOR ASSISTANCE

56. Department responsible for investor assistance, composition, functions, information made available by this department and contact details

The Company has an Investor Assistance department which includes the Group's market liaison officer and the investor relations.
The contact for investors to obtain information is as follows:
Rua do General Norton de Matos, 68 – r/c
4050-424 Porto
Telephone: (+351) 22 83 47 100
E-mail: adilia.miranda@ramadainvestimentos.pt
F. Ramada Investimentos provides financial information relating to its individual and consolidated operations, as well as that of its subsidiary companies, through its official internet page (www.ramadainvestimentos.pt). This website is also used by F. Ramada Investimentos to provide information on press releases, as well as any relevant facts occurring in the day-to-day operations of the Company. This page also includes the Group's reports and accounts of the latest years. Most of the information is available in the website both in Portuguese and in English.

57. Market Liaison Officer

The functions of the Group's market liaison officer are performed by Adília Miranda.

58. Information on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

Whenever necessary, the market liaison officer ensures that all relevant information regarding events, facts considered to be relevant, disclosure of quarterly results and answers to any requests for clarification by the investors or the public on public financial information is provided. All information requested by investors is analysed and provided within a maximum of five days.

V. WEBSITE

59. Address(es)

F. Ramada Investimentos has a web page available with all the relevant information about the Company and the Group. The address is the following: www.ramadainvestimentos.pt.

60. Location where information about the firm, public company status, headquarters and other details referred to in article 171 of the Commercial Companies Code is available

www.ramadainvestimentos.pt \ Investors \ Identification of the company

61. Location where the articles of association and regulations on the functioning of the boards and/or committees are available

www.ramadainvestimentos.pt \ Investors \ Management Team.

62. Location where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or similar structure, respective functions and contact details

www.ramadainvestimentos.pt \ investors \ Management Team
www.ramadainvestimentos.pt \ investors \ Investor Support

63. Location where the documents related to financial accounts reporting are available, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, among others, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements

www.ramadainvestimentos.pt \ investors \ Financial Reports
www.ramadainvestimentos.pt \ investors \ Calendar of Events

64. Place where the notice convening the General Meeting and all the preparatory and subsequent information related thereto is disclosed

www.ramadainvestimentos.pt \ investors \ General Meetings.

65. Local where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available

www.ramadainvestimentos.pt \ investors \ General Meetings.

D. REMUNERATION STRUCTURE

I. POWER TO ESTABLISH

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company

The Remuneration Committee is responsible for approving the remuneration of the Board of Directors and other corporate bodies representing the shareholders, in accordance with the remuneration policy approved by the shareholders in General Meeting.

II. REMUNERATION COMMITTEE

67. Composition of the Remuneration Committee, including details of individuals or legal persons recruited to provide services to such committee and a statement on the independence of each member and advisor

Ramada Investimentos has set a Remuneration Committee for the period 2017/2019, whose composition is as follows:

- João da Silva Natária – Chairman
- André Seabra Ferreira Pinto – Member
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

All members of the Remuneration Committee are independent from the members of the Board of Directors. Additionally, in 2017 no persons or entities were hired to assist Remuneration Committee members.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee

Ramada Investimentos believes that the experience and professional careers of the members of the Remuneration Committee allow them to perform their duties accurately and effectively. In particular, João da Silva Natária has extensive experience and specific knowledge in matters of remuneration policy. Additionally, and whenever necessary, this committee uses specialized resources, internal or external, to support its decisions.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the board of directors and Supervisory Boards as set out in article 2 of Law No. 28/2009 of 19 June

As provided in Law 28/2009, of 19 June, a statement on the remuneration policy of the management and supervisory boards is annually submitted for consideration at the Shareholders General Meeting.

The policy on remuneration and compensation of the corporate bodies of Ramada Investimentos adopted at the General Meeting of 26 April 2017, respects the following principles:

BOARD OF DIRECTORS:

In order to establish the value of individual remuneration of each director, the following should be considered:

- The functions performed at the Company and its subsidiaries;
- The responsibility and the value added by individual performance;
- Knowledge and cumulative experience on the job;
- The economic situation of the Company;
- The remuneration in companies within the same sector and in other companies listed on Euronext Lisbon.

The global fixed remuneration for all the members of the Board of Directors, including the remuneration that the subsidiaries pay to the members that integrate the Board of Directors, cannot exceed 750 thousand Euros per year.

1. Executive directors
   - Fixed component, amount paid monthly.
   - Medium term variable component:

It intends to more strongly align the interests of Executive Directors with those of shareholders and is calculated covering the period of 2011-2019, based on:

- Total shareholder return (stock appreciation plus dividend distributed)
- Sum of the consolidated net results of the nine years (2011 to 2019)
- Company' business development

The total medium-term variable component cannot exceed 50% of fixed remuneration earned during the period of the nine years.

2. Non-executive Directors

The individual remuneration of any non-executive Director may not exceed 70,000 Euros per year, being exclusively fixed.

SUPERVISORY BOARD

The remuneration of Members of the Statutory Audit Board will be based on yearly fixed amounts at levels considered adequate for similar functions.

GENERAL SHAREHOLDERS MEETING

The remuneration of the members of the General Shareholders Meeting will be exclusively fixed and will follow market practices.

STATUTORY AUDITOR

The Statutory Auditor will have a fixed fee appropriate to the respective functions and in accordance with market practice, under the supervision of the Statutory Audit Board.

COMPENSATION FOR TERMINATION OF FUNCTIONS BEFORE ON OR TERM OF MANDATE

The remuneration policy maintains the principle of not covering the granting of any compensation to Directors or other governing bodies, concerning their termination of functions, either earlier or at the scheduled end of their duties, subject to compliance with the legal provisions in force.

SCOPE OF PRINCIPLES

The principles that follow remuneration policies and compensation specified in this policy include not only the wages paid by Ramada Investimentos but also the wages that are paid to members of the Board of Directors for companies controlled directly or indirectly by it.

70. Information on how remuneration is structured so as to enable the alignment of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and discourages excessive risk taking.

The remuneration policy for Executive Directors aims to ensure a proper and thorough compensation for the performance and contribution of each Director for the success of the organization, aligning the interests of the executive Directors with those of the shareholders and of the Company. Additionally, the remuneration policy provides for a variable component with deferred payment aiming to more strongly align the interests of the executive Directors with those of the shareholders and the long-term interests of the Company.

The proposal for remuneration of Executive Directors is drawn up considering the functions performed in F. Ramada Investimentos, SGPS, S.A. and in its subsidiaries, the responsibility and added value by individual performance, the knowledge and the experience accumulated on the job, the economic situation of the Company, the remuneration paid by other companies from the same sector and other companies listed on Euronext Lisbon. Regarding the latter point, the Remuneration Committee considers all national companies of equivalent size, particularly listed on Euronext Lisbon, and also companies in international markets with characteristics similar to F. Ramada Investimentos.

71. Reference, where applicable, to the existence of a variable remuneration component and information on any impact of the performance appraisal on this component

In the Shareholders' General Meeting held in 26 April 2017, the remuneration policy, as detailed in sub-section 69 above, was approved with the inclusion of a variable component depending on performance during the period between 2011 and 2019.
No mechanisms to prevent Executive Directors from having employment contracts that question the grounds of the variable remuneration are implemented. However, the Remuneration Committee considers these factors in the criteria for determining the variable remuneration. The Company did not celebrate any agreements with members of the Board of Directors that have the effect of mitigating the risk associated to variability of the remuneration or has become aware of any identical contracts with third parties.

72. The deferred payment of the remuneration's variable component and specification of the relevant deferral period

There is currently no variable compensation due whose payment is deferred in time.

73. The criteria whereon the allocation of variable remuneration on shares is based

F. Ramada Investimentos has not in place nor intends to have any form of compensation that may include shares or any other equity based compensation system.

74. The criteria whereon the allocation of variable remuneration on options is based

F. Ramada Investimentos does not have in place any form of compensation that includes stock options.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits

F. Ramada Investimentos has not any annual bonus scheme nor any other non-financial benefits.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when such schemes were approved at the general meeting, on an individual basis

Ramada Investimentos has no supplementary pension scheme or early pension for members of the administrative and supervisory boards and other key staff.

IV. REMUNERATION DISCLOSURE

77. Indication of the amount relating to the annual remuneration paid as a whole and individually to members of the company's Board of Directors, including fixed and variable remuneration and, regards the latter, reference to the different components that gave rise to same.

The remunerations received by the members of the Board of Directors were entirely paid by the Group's subsidiaries in which each one is Director and there are no Directors paid directly by Ramada Investimentos.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control

The remuneration received by the Board of Directors of Ramada Investimentos during 2017, in the exercise of their functions, include only fixed remuneration and amounted to 523,500 Euros allocated as follows: João Borges de Oliveira –123,000 Euros; Paulo Fernandes –123,000 Euros; Domingos Matos –109,000 Euros; Pedro Borges de Oliveira –109,000 Euros and Ana Mendonça –59,500 Euros.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for such bonuses or profit sharing to be awarded

During the year, there were no remunerations paid in the form of profit sharing or bonuses.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year

In 2017, no amounts relating to compensations to Directors whose functions have ceased have been paid or became due.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board

The remuneration of the Statutory Audit Board is composed of a fixed annual amount based on the Ramada Investimentos situation and on the current market practices. In the year ended 31 December 2017, the remuneration of the Statutory Audit Board members amounted to 26,620 Euros distributed as follows: Pedro Pessanha – 10,000 Euros; António Pinho – 5,540 Euros; Guilherme Monteiro – 5,540 Euros; André Pinto – 2,770 Euros; José Guilherme Silva – 2,770 Euros. The members António Pinho e Guilherme Monteiro was elected in the General meeting held on Abril, 26, 2017 having been remunerated as from that date; On the other hand, the members André Pinto e José Guilherme Silva ended functions on that date.

The remuneration of the Statutory Auditor is described in sub-section 47 above.

82. Details of the remuneration in the year of the Chairman of the Board of the General Meeting

The remuneration of the Chairman of the Board of the General Meeting in the year ended as of 31 December 2017 was 5,000 Euros.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component

The remuneration policy maintains the principle of not including the granting of any compensation to Directors or other governing boards, concerning the termination of their functions, either earlier or at the scheduled end of their terms of office, subject to the compliance with the legal provisions in force.

84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the Board of Directors and managers, pursuant to Article 248-B/3 of the Securities Code (CVM) that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid.

There are no agreements, between the Company and members of the Board of Directors or other key staff, pursuant to paragraph 3 of Article 248-B of the Securities Code (CVM), which provide compensations in case of resignation, unfair dismissal or termination of employment contract following a takeover bid. There aren't also planned agreements with Directors to ensure any compensation in case of non-renewal of their terms of office.

VI. Stock options plan

85. Details of the plan and the number of persons included therein.

Ramada Investimentos has no plan to grant shares or stock options to the Board of Directors nor to its employees.

86. Characteristics of the plan

Ramada Investimentos does not have any plan to grant shares or stock options.

87. Stock option plans for the company employees and staff

There are no stock options granted for the acquisition of shares which benefit company employees and staff.

88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees

Not applicable as explained in the sub-sections above.

E. RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties

Currently, there are no procedures or criteria established for defining the relevant significance level of business between the Company and holders of qualifying holdings, or entities in any relationship or group with those shareholders, from which the intervention of the Supervisory Board is required.

90. Details of transactions that were subject to control in the referred year

There were no businesses or significant transactions performed between the Company and members of its governing boards (both management and supervision), holders of qualified shareholdings or companies in a control or group relationship, except those that are part of the current activity of the Group and which were carried out under normal market conditions for similar transactions.

There were no business operations or transactions with members of the Supervisory Board.

Transactions with Group companies are not material and were made under normal market conditions, being part of the Company's current activity and therefore not subject to separate disclosure.

91. Description of the procedures and criteria applicable to the supervisory body when providing preliminary assessment of the business deals to be carried out between the company and the holders of qualified holdings or entity-relationships with the former

Transactions with Ramada Investimentos' Directors or companies that are in a group or control relationship with the one in which the intervener is a director, regardless of the amount, are subject to the prior authorization of the Board of Directors with a favourable opinion of the Supervisory Board pursuant to Article 397 of the Portuguese Companies Act. In 2017 it was not necessary for the Supervisory Board to issue an opinion because no transactions which required the approval of that board occurred.

II. ELEMENTS RELATED TO BUSINESS DEALS

92. Details of the place where the financial statements, including information on business deals with related parties, are available

Information about related parties is disclosed in Note 30 of the Appendix to the Consolidated Financial Statements and Note 19 of the Appendix to the Individual Financial Statements of the Company.

PART II – CORPORATE GOVERNANCE EVALUATION

1. Details of the Corporate Governance Code implemented

This report provides a description of the governance structure adopted by Ramada Investimentos, as well as the respective policies and practices adopted.

The report complies with the standards of Article 245-A of the Portuguese Securities Code (CVM) and discloses in accordance with the "comply or explain" principle, the degree of compliance with the CMVM recommendations incorporated in the 2013 CMVM Corporate Governance Code.

The duties of disclosure required by the Law 28/2009 of 19 June, Articles 447 and 448 of the Portuguese Companies Act and CMVM Regulation No. 5 / 2008, of 2 October 2008 are also fulfilled.

All the legal provisions referred on this report and the recommendations listed in the Corporate Governance Code of 2013, can be found in www.cmvm.pt.

This report should be read as part of the Annual Management Report and as part of the Individual and Consolidated Financial Statements for the fiscal year 2017.

2. Analysis of compliance with the Code of Corporate Governance adopted

Ramada Investimentos envisaged all the efforts to promote the adoption of the best corporate governance practices, basing its policy on high ethical standards and social responsibility.

The Board of Directors of Ramada Investimentos pursues transparent relationships with investors and with the market, basing its performance in the constant search of value creation and the promotion of the interests of employees, shareholders and other stakeholders.

In compliance with the standards of Article 245-A, no. 1, paragraph o) of the Portuguese Securities Code, the CMVM recommendations incorporated in 2013 CMVM Corporate Governance Code the Company set out to carry out are listed below:

CMVM RECOMENDATIONS	COMPLIES	REPORT
I. VOTING AND CONTROL OF THE COMPANY		
I.1. Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement of one vote, and implement the means necessary to exercise the right to vote by mail and electronically.	Adopted	12, 13 and 14
I.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Adopted	13 and 14
I.3. Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders.	Adopted	12 and 13
I.4. The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the general assembly (five year intervals), on whether that statutory provision is to be amended or prevails - without superquorum requirements as to the one legally in force - and that in said resolution, all votesissued be counted, without applying said restriction.	Adopted	13 and 14
I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and that whichappear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members, shall not be adopted.	Adopted	2, 4, 5 and 6

CMVM RECOMENDATIONS	COMPLIES	REPORT
II. SUPERVISION, MANAGEMENT AND OVERSIGHT		
II.1 SUPERVISION AND MANAGEMENT		
II.1.1. Within the limits established by law, and except for the small size of the company, the board of directors shall delegate the daily management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance.	Not Adopted	21 and 28
II.1.2. The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the company; ii) define business structure of the group; iii) decisions considered strategic due to the amount, risk and particular characteristics involved.	Adopted	21 and 28
II.1.3. The General and Audit Committee, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, whereby through the statutory provision or by equivalent means, shall enshrine the requirement for this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company.	Not applicable	
II.1.4. Except for small-sized companies, the Board of Directors and the General and Audit Committee, depending on the model adopted, shall create the necessary committees in order to:		
CMVM RECOMENDATIONS	COMPLIES	REPORT
b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies, measures to be implemented with a view to their improvement.		
II.1.5. The Board of Directors or the General and Audit Committeed, depending on the applicable model, should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.	Adopted	52, 54 and 55
II.1.6. The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board.	Adopted	18
II.1.7. Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float. The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed as per the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to: a. Having been an employee at the company or at a company holding a controlling or group relationship within the last three years; b. Having, in the past three years, provided services or established commercial relationship with the company or company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal person; c. Being paid by the company or by a company with which it is in a control or group relationship besides the remuneration arising from the exercise of the functions of a board member; d. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of qualifying holdings; e. Being a qualifying shareholder or representative of a qualifying shareholder.	Not Adopted	18
II.1.8. When board members that carry out executive duties are requested by other board members, said shall provide the information requested, in a timely and appropriate manner to the request.	Adopted	18
II.1.9. The Chair of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chair of the Board of Directors, the Chair of the Supervisory Board, the Chair of the Audit Committee, the Chair of the General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings.	Adopted	23
II.1.10. If the chair of the board of directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that these members can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination.	Not Adopted	18
II.2. SUPERVISION		
II.2.1. Depending on the applicable model, the Chair of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties.	Adopted	32 and 33
II.2.2. The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.	Adopted	38
II.2.3. The Audit Committee shall evaluate the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.	Adopted	45
II.2.4. The Audit Committee shall evaluate the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary.	Adopted	38
II.2.5. The Audit Committee, the General and Supervisory Board and the Audit Committee decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential improprieties.	Not applicable	50 and 51
II.3. REMUNERATION SETTING		
II.3.1. All members of the Remuneration Committee or equivalent should be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy.	Adopted	67 and 68
II.3.2. Any natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the board of directors of the company itself or who has a current relationship with the company or consultant of the company, shall not be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above.	Adopted	67
II.3.3. A statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following: a) Identification and details of the criteria for determining the remuneration paid to the members of the governing bodies; b) Information regarding the maximum potential, in individual terms, and the maximum potential, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances whereby these maximum amounts may be payable; c) Information regarding the enforceability or unenforceability of payments for the dismissal or termination of appointment of board members.	Adopted	69
II.3.4. Approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said plan.	Not applicable	73 and 74
II.3.5. Approval of any retirement benefit scheme established for members of corporate members shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly evaluate said system.	Not applicable	76

III. REMUNERATION		
III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage taking on excessive risk-taking.	Adopted	70
III.2. The remuneration of non-executive board members and the remuneration of the members of the Audit Committee shall not include any component whose value depends on the performance of the company or its value.	Adopted	78, 81 and 82
III.3. The variable component of remuneration shall be reasonable overall in relation to the fix component of the remuneration and maximum limits should be set for all components.	Adopted	69
III.4. A significant part of the variable remuneration should be deferred for a period not less than three years, and the right of way payment shall depend on the continued positive performance of the company during that period.	Adopted	69
III.5. Members of the Board of Directors shall not enter into contracts with the company or with third parties which intend to mitigate the risk inherent to remuneration variability set by the company.	Adopted	71
III.6. Executive Board Members shall maintain the company´s shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on the gains of said stocks.	Not Applicable	73 and 74
III.7. When variable remuneration comprises the allocation of options, the beginning of the exercise period shall be deferred for a period of not less than three years.	Not Applicable	74
III.8. When the dismissal of directors does not result from a serious breach of their duties or from their unfitness for the normal exercise of their functions, but is nevertheless irreducible to an inadequate performance, the company shall be provided with adequate and necessary legal instruments to that any compensation or compensation, in addition to what is legally owed, is not chargeable.	Not Applicable	69 and 83
IV. AUDITING		
IV.1. The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems of the corporate bodies as well as the efficiency and effectiveness of the internal controlmechanisms and report any shortcomings to the supervisory body of the company.	Adopted	38
IV.2. The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that incorporates the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the Audit Committee and explained in its Annual Report on Corporate Governance - said should not exceed more than 30% of the total value of servicesrendered to the company.	Adopted	47
IV.3. Companies shall support auditor rotation after two or three terms whether four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the Audit Committee that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.	Adopted	40, 42, 43 and 44
V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS		
V.1. The company's business with holders of qualifying holdings or entities with which they are in any type of relationship pursuant to article 20 of the Portuguese Securities Code, shall be conducted during normal market conditions.	Adopted	90
V.2. The supervisory or oversight board shall lay down procedures and criteria that are required to define the relevant level of significance of business with holders of qualifying holdings - or entities with which they are in any of the relationships described in article 20.1 of the Portuguese Securities Code -thus significant relevant business is dependent upon prior opinion of that body.	Not Adopted	91
VI. INFORMATION		
VI.1. Companies shall provide, via their websites in both the Portuguese and English languages access to information on their progress as regards the economic, financial and governance state of play.	Adopted	59 to 65
VI.2. Companies shall ensure the existence of an investor support and market liaison office, which responds to requests from investors in a timely fashion and a record of the submitted requests and their processing, shall be kept.	Adopted	56 to 58

The recommendations II.1.7., II.1.10., IV.2. and V.2. are not fully adopted by F. Ramada Investimentos, as explained below.

Recommendations II.1.7. and II.1.10.:

The Board Directors does not include any member that satisfies the standard of independence referred in recommendation II.1.7. and II.1.10. of the Corporate Governance Code issued by the Portuguese Securities Regulator (CMVM) since the non-executive Director Ana Rebelo de Carvalho Menéres de Mendonça owns a qualified shareholding.

Nevertheless, in order to allow to the non-executive Directors an independent and informed decision, the Company has the following mechanisms:

- Notices of meetings of the Board of Directors sent to all Directors include the agenda, even if preliminary, of the meeting, and are accompanied by all the relevant information and documentation;
- Availability of Executive Directors to provide to non-executive Directors any additional information which they consider relevant or necessary, and to carry out further studies and analysis relating to all matters which are subject of deliberation or that are under review in some way in the Company;
- Availability of minutes' books, records, documents and other records of operation of the Company or the subsidiaries, for examination, as well as the provision and promotion of a direct channel of obtaining information from the managers and operational and financial officers of several companies that are part of the Group, without requiring any intervention of the Executive Directors in this process.

Given the corporate model adopted and the composition and mode of operation of its governing boards, including the independence of the supervisory boards, without, delegation of powers among them, the Group considers that the designation of independent Directors to the Board would not yield significant improvements for the proper functioning of the corporate governance model, which has revealed itself proper and efficient.

The Management Report includes in the chapter "Activity developed by the non-executive members of the Board" a description of the activity of the non-executive Director during 2017.

Recommendation V.2.

Transactions with Ramada Investimentos' Directors or with companies that are in a group or dominance relationship with them, regardless of the amount, are subject to prior approval of the Board of Directors, with a favourable opinion of the Statutory Board, under the terms of article 397 of the Portuguese Companies Act.

Currently, there are no established procedures or criteria for defining the relevant level of significance of businesses between the Company and holders of qualified holdings or entities that are in a group or dominance relationship, from which the intervention from the Statutory Board is required.

However, given the above mentioned legal requirement, and especially considering the constant legal requirement of the same matter to disclose in the annual report of the board, the occurrence of these situations, to which Ramada Investimentos would always give full compliance, all legal requirements, as well as all the information disclosure obligations to shareholders and to the market on a complete and transparent basis are safeguarded.

3. Other Information

In line with what has been said, Ramada Investimentos would like to emphasize that, from the forty recommendations contained in the Corporate Governance Code of 2013, only six of them are not applicable for the reasons set out above, and the failure to fully adopt only four of the recommendations is largely explained above.

Ramada Investimentos therefore considers that, given the full compliance of thirty of these recommendations, its degree of adoption of the 2013 Corporate Governance Code's recommendations is practically total, which is materialized in a diligent and prudent management, absolutely focused on creating value for the Company and hence for shareholders.

Diversity Policy - Article 245 A (1) (r) of the Portuguese Companies Act

Diversity policy is not a new topic in the Ramada group. In fact, is that not only in the Board of Directors, but also in the positions of senior and middle management, that the Group, as of many years now, has been defining and implementing policies that have become more gender-responsive.

It should be noted that F. Ramada's Board of Directors, elected in April 2017 for the mandate corresponding to the three-year period 2017/2019 (and therefore before the entry into force of Law 89/2017 of 28 July) is composed of five members, of which four men and one women, representing almost 20% of the composition of that body. This composition was similar in the previous mandate, corresponding to the triennium 2014/2017.

The Board of Directors, without losing the guiding principle of meritocracy, promotes diversity policies at various levels, such as:

- Instructions to the human resources areas of the various operating companies so that:

    i. career advancement policies, performance evaluation and salary reviews are defined based on diversity promotion concerns;
    ii. in recruitment processes, seek to promote such diversity by always presenting lists of potential workers to be recruited sufficiently representative of both gender.

Instructions to the operational areas so that the multidisciplinary teams formed in the scope of the most varied projects are constituted always based on the concern of a balanced representation.

At Ramada Investimentos there is the conviction that a healthy gender balance contributes decisively to the teams being more eclectic, self-challenging and proactive, so promoting this diversity is a Group's goal.

NON-FINANCIAL INFORMATION REPORT

This chapter aims to meet the reporting requirements on non-financial matters as required by Directive 2014/95 / EU, transposed into national law by Decree Law No 89/2017, thus giving a perspective on the environmental and socio-economic dimension of the activity of Grupo Ramada.

It is believed that the information presented here reflects in a balanced way the reality of the Group in these areas, considering the main impacts and risks of the activity carried out, providing a broader view of the activity and performance to the stakeholders.

To this end, and in order to assess the content of this chapter, an analysis of the reporting requirements of that Directive was carried out in line with the orientation of the associated guide. The focus, was on those which were considered to be the most important, based in an analysis which considered benchmarks of sustainability, peer reports and an internal reflection of relevance based on the degree of impact. The information needs of investors and other interested parties were indirectly considered by this analysis through the sources consulted.

In agreement with the results of the analysis mentioned above, several indicators are presented that reflect the performance of Grupo Ramada in these areas.

The information reported always reflects the most representative reality of the Group.

Ecological and Socioeconomic environment of the Group

Innovation, Quality & Customer Management

Currently, the group covers three business activities: steel, storage solutions and real estate. Considering the latter, the Ramada Group owns an important set of forest areas, rented for the industry of paper paste production, to which it exploits. Given this fact, the real estate activity will not be approached throughout this section.

Information on the Group's companies, the markets in which they operate, other relevant information about the business, as well as historical and current information are featured on the website (www.ramadainvestimentos.pt).

From special types of steel to high density storage engineering solutions, the Group's brands reflect their knowledge (or know-how) and dedication to their customers, making their business stronger and more competitive, not only in Portugal, but the world.

The steelworks activity, with a strong position in the national market, is performed by 4 entities: Ramada Aços, Universal Afir, Planfuro Global and Socitrel

Storage solutions are performed by the following entities: Ramada Storax (biggest producer of storage solution systems in Portugal, where it focuses the whole production of the group), Storax France, Storax UK, Storax Belgium and Storax Spain.

The steel business is mostly developed in markets such as the building of machines and its components and tool production, even though it's destined mostly to the industry of plastic moulds, automobile industry components, equipment goods and electronics and household appliances.

With the transformation and posterior commercialization of steels, it's still able to provide its customers with a vast combination of services (from which thermal treatments stand out), capacity originated from its deep knowledge and understanding withheld in this matter, as well as its modern logistical and technic means.

The storage solutions business is specialized in the concession, installation and its after-sales services.
The STORAX range of products includes the most diverse storage structures, from simple racks to clad-rack buildings with a height over 40m for automatic iCube© storage. Powerack© and Ranger© products are European leaders in high density storage systems, for which these solutions are specially directed to cold stores.

With a global presence in about 60 countries, spread out through the 5 continents and with over 50,000 facilities, it provides complete integrated and customized solutions that guarantee the optimization and higher efficiency of its customers, irrespective of its business activity.

Both the steel business and the storage solutions business fit into the B2B market, for its quality, constant innovation, and customer dedication are crucial

Customer proximity is particularly relevant in the steel business, given the high potential for re-occurrence, leading the business to product diversification and establishment of good relationships in which technical support is vital.

The steel business operates mostly in the national market. It covers all industrial areas of the country, with 6 points of sale and distribution (of which the main storage unit in Ovar in included), and to which the 2 points of sale and distribution of Universal Afir are added. According to the Group's knowledge and the inexistence of detailed market data and statistics that complicates the selection of data, it constitutes the biggest sales point network in the country and a more diverse supply of products and services, that for many customers allows the application of the one-stop-shop-concept

Given its foundations as communication, convenience, mutual respect and reciprocal behaviour, the Ramada Group wishes to keep its compromise to partnerships, thus promoting an indirect promotion with its customers and partners through the reinforcement of its relationships.

This way, the Group provides all necessary technical support for its customers, with whom it has followed a permanent strategy of quality improvement, whether in terms of the services provided or the products it trades.

Both steelworks and Storax activities are quality certified. In 2017 began the transition to norm ISO 9001

Our commitment to quality is permanent within the Group. Approximately 100% of all raw-material is certified

Innovation has been part of the Group since the beginning - the Group has always seeked to find unique solutions in the steel market that would make it a leading partner in the industry, in Portugal and worldwide

- 1939/1945 - The trade of specialty steel from Sweden was developed, leading to a partnership with Uddeholm and its exclusive representation in Portugal.
- 1958 - The first slotted angle in Portugal was produced, under license of Dexion.

Ramada Academy

In a constant search to strengthen and innovate relationships with its customers, given the experience and knowledge of its technician team, Ramada Aços (Steel) promoted several training stages for its customers on fundamental subjects to raw material and workflow. Given that the main objective for this set of measures is to inform and pass on knowledge and skills about steel, its selection and applicability to its participants, it promotes the correct choice and handling of the material and its components.

In 2017, more than 80 hours of training were given to a customer base built-up by almost 150 trainees.

Seminars

Annually, the Group carries out technical seminars, directed to customers, with the support of the main steel supplier, UDDEHOLM).

During one week, the products managers split up between a technical seminar and customer visits, to clarify and share information.

The presence of these specialists in steel is important to approach customers to a technical element, provide support in production processes and the use of raw material.

overall, there are 5 weeks spread out through the year, and each of the weeks dedicated to a different subject.

These seminars occur preferably in universities, to allow customers to invite students and professors to participate, thus approaching the academic community with the aim of closeting up the relationship between businesses and education.

Customer support

Customer support is a permanent concern of the Ramada Group.

Within Ramada Storax exists a department to track down complaints, with a complaint management system aiming to guarantee customer satisfaction and quality in the services provided.

The customer support department was created within Ramada Aços during January 2018 in order to improve the process of response to customers' complaints and suggestions, establishing the same trust customers have on the purchased products and services. The department has a fully allocated resource to which gives exclusive support to the customer, tracking every suggestion or complaint since the initial stage until its closing, through a process and a complaint management system configured for the effect.

Certification of Management systems

Ramada Aços, initially certified by the quality norm ISO 9002 is – since 2002 – included by the standard with highest worldwide recognition under the quality scope, ISO 9001:2008

Ramada Storax, is also certified by the quality norm ISO 9001:2008 since 2016 and by the norm EN 1090-1:2009+A1: 2011, Construction Products Regulation, or CPR since 2015

Within the storage solutions activity, quality and safety are inseparable from the initial solution to post-sale. Under post-sale, STORAX offers technical assistance, maintenance and facility repair solutions, ensuring quality for the use in perfect safety conditions. It provides a specialized technical team for periodic inspection, in accordance with the EN 15635 norm (which defines the criteria used in periodic rack inspection) for the precocious detection of damage, accident prevention, repair cost reduction and higher safety for personnel, equipment's and stored material. Through its internet website and during contact with customers, it seeks to aware them about the importance of performing such inspections, to guarantee stability and safety of the storage systems it has.

Customer satisfaction assessment

Customer satisfaction is formally assessed through indices, as a result of customer satisfaction enquiries, even though with distinct cadences in both businesses

- Steel: 97.6% (2016)

- Storage solutions: 3.2 with maximum limit of 4 (2017).

Environment

The group recognizes businesses' fundamental role in environmental protection, although the activities it develops aren't particularly referenced as very impacting in that matter.

Nevertheless, continuous improvement in environmental protection still guides the Ramada Group in decision making processes, by which group entities drive their operations within this strict compliance with environmental law.

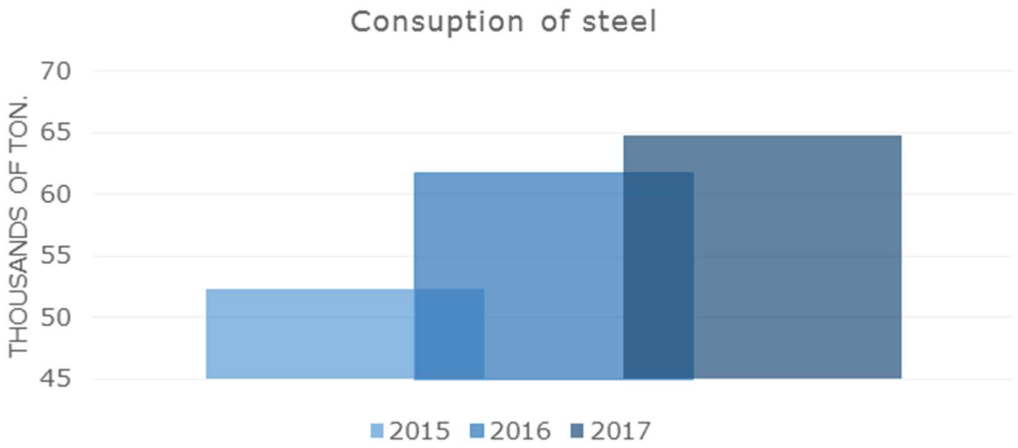
In this sense, irrespective of other operations, it counts with a skilled employee under its framework that ensures an adequate environmental management on its most relevant operations for this matter (considering the activity and its dimension), in both Ramada Aços and Ramada Storax

In the Ramada Group, the parameterized and protected environmental risks are essentially the ones indexed to legal aspects. Other than the management indexed to risk control and legal compliance, on an operational efficiency perspective, measures that result in environmental gains are taken too, such as in resource consumption. Whether they may be raw material, energy, etc. allow a set of advantages to be obtained, for example:

- Cost reduction through higher efficiency;
- Improvement or maintenance of the business and its brands' reputation

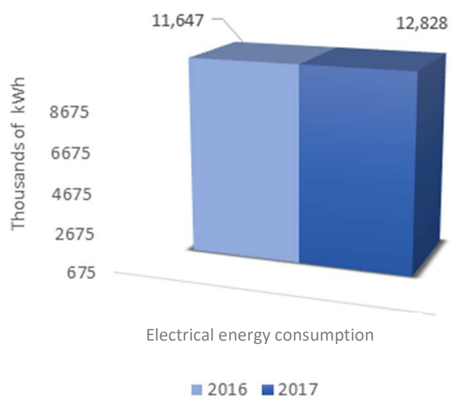
Raw material consumption

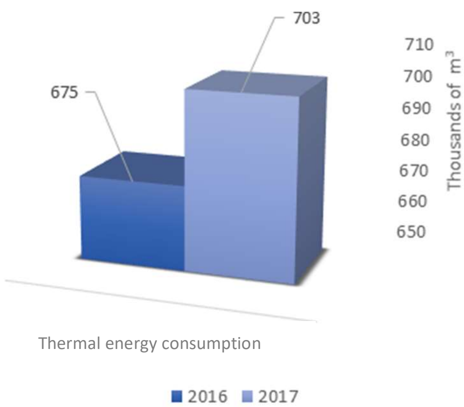
The main raw material consumed that is central to its activities is steel, with a consumption of around 65,000 tonnes during 2017. Most of it (about 70%) originated from steel scrap.

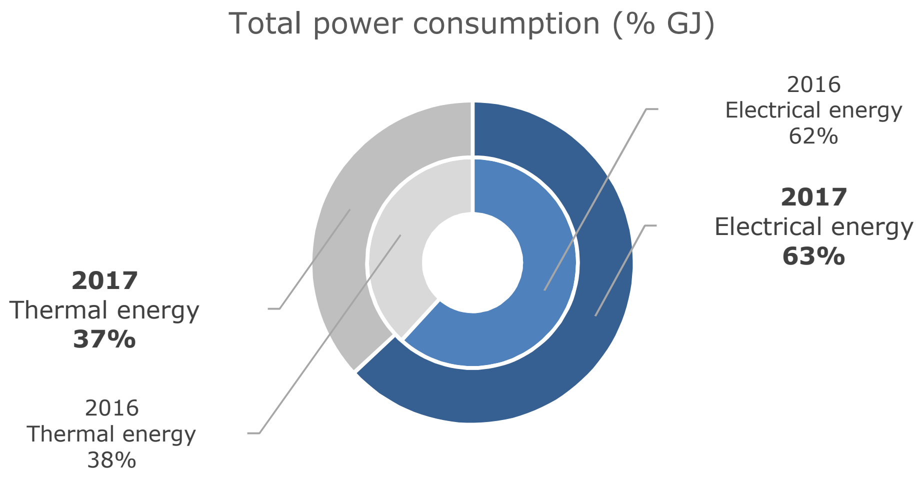


Energy

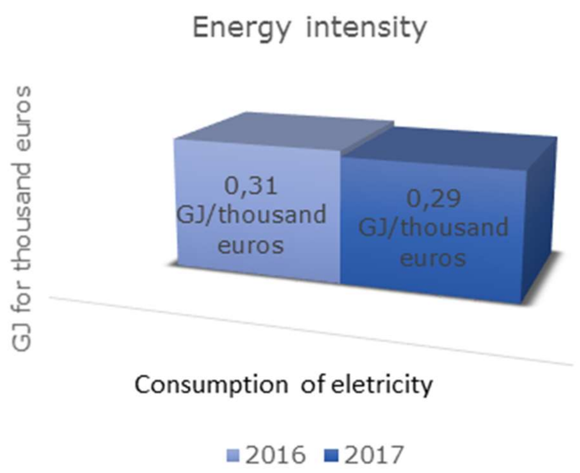
The main sources of energy consumption are associated to industrial activity, essentially concentrated in Ovar, where Ramada Storax and Ramada Aços are located. It corresponds to electrical and thermal energy (based on natural gas). In nominal terms, an increase in energy consumption has been verified in 2017, standing out thermal energy.







However, a decrease in energetic intensity was verified relatively to the previous year, resultant of efficiency policies and implemented energy rationalization.



Efficient and rational energetic policies, implemented in 2017, resulted in the change of iodide metallic plates in some industrial ships for LED illumination and in the replacement of compressors for new generation equipment (VSD).

Energetic efficiency for technology conversion

The investment on the capacity increase of thermal treatment for big components (a verified trend in the molds industry) and the substitution of obsolete furnaces resulted in a technological improvement, being able to reduce the consumption of gases used for thermal treatment services. In addition, it has managed to cut the specific energy consumption, increasing the amount of steel treated in every shipping.

The technological solutions are under research to significantly reduce electric consumption.

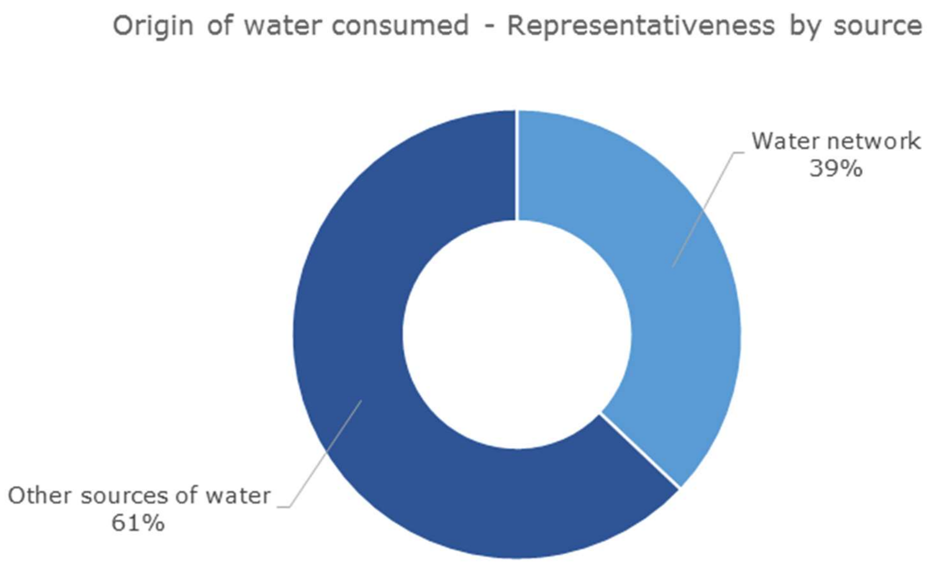
Gas emissions

The main gas emissions related to activities are linked to industrial units, drying, thermal treatment furnaces and automatic welds.

In the Ramada group, none of sources are covered by the European Union Emission Trading Scheme and all sources are monitored every 3 years.

Water and effluents

Water is consumed in the industrial process for human consumption. The consumption verified in 2017 was around 25,000 m3. Industrial consumption, however, is more representative and originates from its own harvesting, properly licensed.



Regarding residual water unload, there's a proper residual water treatment plant (ETAR) which guarantees the treatment of effluents, posteriorly carried forward to the public stream. Every 3 months, water analyses are performed on residual water after a compliant treatment with license to unload

Waste

The Ramada group forwards its waste do properly authorized treatment plants, given the applicable legal framework, including hazardous waste which are, although, in insignificant quantities.

Of the produced waste, around 24,500 tonnes are mainly constituted of steel chips and filings, making up to more than 90% of waste, being most of it recycled.

Socioeconomic environment

Employees and labour management

Personnel issues are important for the Ramada group, which believes its workforce to be part of its core and leveraging on them the Group's excellence and dynamic. Rigor, dynamism and strictness are a part of the organizational culture, seeking that everyone feels valued and essential.

Given the Group's genesis of being a family business, workers are approached as the most important assets and a culture of proximity is still present within the Organization.

Human resources management ensures the compliance of legal precepts and workforce harmony, given that national legislation assures the compliance of International Labour Organization conventions.

One of the actions carried was the study of an Organizational climate, which allowed to assess the inexistence of no significant risk situations with labour.

Another performance assessment process was developed and implemented, having become systemized into a training plan, along with other developed aspects.

Employees - information in numbers

As of 31 December, the Ramada Group was constituted by 641 employees, of which 88% male and 12% female – given the nature of jobs associated to the sector. Top management was composed (as of the same date) by 80% male and 20% female workers.

During 2017, 118 new workers were admitted and 73 labour contracts were ended. These numbers reflect an admission rate of 18% and an exit rate of 11%

The age range varies from 18 to 68 years, standing out the existence of employees that have been working for about 50 years.

Within the Organization's scope, there are 500 employees under indefinite contract, composing around 78% of the group (89% male and 11% female). On the other hand, workers under a definite contract represent about 22% of the group (87% male and 12% female).

To these workers, are still added up 141 outsourced employees.

	Total	Men	Women
Number of employees	641	88%	12%
Management	5	80%	20%
Contractual term			
Indefinite contract	500	89%	11%
Definite contract	141	87%	13%
Internships	12		
Admissions & leaves			
Admissions	118	18%	
Leaves	73	11%	

Of the entities within the group, about 17% of workers belong to trade unions.

The table below shows the employees' education level within the Group.

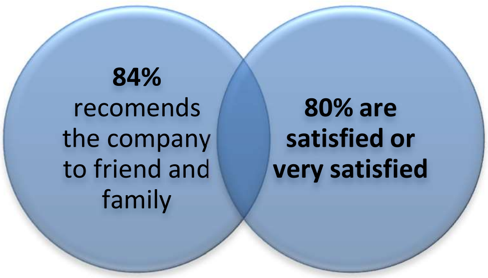
Educational level	
1st cycle education - Primary school	7%
2nd cycle education - Junior school	12%
3rd cycle education - Middle school	24%
High School	37%
University education	20%

On average, female workers earn 1.17x more than male workers (except in international Storax units).

The above data reflects the diversity and equal opportunities within the Ramada Group.

Organizational environment

During 2017 the Organizational environment was assessed, and the intended to keep being assessed on a bi-annual basis. The study shows encouraging results, synthesized as follows:



An action plan was developed and is currently being carried ahead in order to face less positive aspects, with several measures. There are in progress actions to improve the company's infrastructure and its planned to build a new social area (including a canteen, medical centre, training room, changing rooms and parking lot).

Performance evaluation process

During 2017 a big investment was made into defining and carrying forward individual training plans and integration of new employees, as well as the design and organization of product and process training.

Training

During 2017 a big investment was made into defining and carrying forward individual training plans and integration of new employees, as well as the design and organization of product and process training.

The Ramada Group provided around 16,000 hours to more than 560 employees, organizing more diverse and adequate training plans to its business needs.

Regarding external training, the following actions were highlighted:

- Foreign language tutoring;
- 5S;
- Team management and organization for managers;
- welding;
- Safety in handling stackers and overhead cranes;
- Safety in handling lifting platforms;
- Industrial maintenance and management;
- fluke thermography;
- Certification and qualification of internal auditors with quality norm ISSO 9001:2015.

Regarding internal training:

- Workplace training;
- Individual training plan and new employee integration;
- product training;
- process training;
- Plastics injection mould training;
- First aid.

Fringe benefits and rewards

Protocols • With the aim of providing benefits for its employees, thus contributing to their well-being – and consequently – their personal and professional accomplishment, the Ramada Group as established some protocols with entities in the areas of sport, welfare and also financial institutions (e.g. health clubs and banks).	**Scholarships** • The Group has granted this perk since 1963, in the understanding that it would have a strong positive impact on families and on personnel management. • In 2017, a communication was sent out, reminding the existence of this perk, having been revised (and its perspective value increased).	**Canteen** • The Group disposes of a canteen in its facilities in Ovar, providing its employees with access to complete meals (lunch and/or dinner) fully reimbursed.
Health Insurance • A health insurance is provided to all employees with a seniority above 6 months and it can be extended to all household family members.	**Preventive medicine sevices, Medical care, & Physiotherapy** • All these services are provided for free to all employees, promoting their well-being and quality of life.	**Ramada Intranet** • An internal website with general information and communications, welcome manual, internal job advertisements and opportunities, existing protocols/partnerships and other information.

Health and safety at work

Concern for the employees' safety is absolutely fundamental for the Group.

During 2017, 87 accidents were recorded, of which none were fatal.

Given that Ramada Aços and Ramada Storax concentrate most of its employees, these entities count on two Health and Safety at work techniques to (i) permanently identify situations for improvement; (ii) monitor the degree the degree of compliance to rules and established safety; (iii) aware the teams and each employee individually to the importance – for each and everyone's health and life – of complying to the established safety rules within the Organization; (iv) guarantee the correct risk management associated to the main developed activities and also (v) to regularly report every relevant situation for the continuous improvement of the Group's performance in this crucial matter..

For these two entities, the frequency[1] rate in 2017 was 66 and 80.3, respectively. Whilst their gravity[2] was of about 0.8 and 0.6.

The main types of work accidents, within the group, are object collision, musculoskeletal injuries and entrapments, representing about 60% of all reported accidents in 2017.

To prevent these and any other types of accidents, all employees receive, as of their hiring date, adequate training to the specific performance of the functioning and equipment for individual protection equally adequate to the specific performance of their functions.

The group's entities permanently monitor de degree of compliance to safety rules and triggers every corrective action considered appropriate to each moment, as well as every preventive action necessary.

Concerning collection prevention and protection, the installation of a system for detection and skylight for ventilation in case of fire is being concluded.

Every new employee is trained on the hygiene and safety specifics for their workplace and rescue teams are regularly renovated.

All the measures above mentioned have been driving the accident occurrence index lower and to an absence level below the recorded trends for the same activity segment, which gives a motive for pride in the Ramada Group and a strong incentive for continuous improvement.

Human rights

The respect for human dignity and strict compliance with all applicable legislation in this matter (namely, but not limiting to, the Universal Declaration of Human rights and the European Convention of Human Rights) are values that should never leave any business' intent, for which in the Ramada Group are a superior, unquestionable and indispensable value.

National legislation and, generally, European legislation, has an inherent preservation of fundamental rights. The actions of the Ramada Group are marked by the legislation safeguard, having no policy nor measure for an implemented specific monitoring. Regarding the supply chain, steel is the main raw-material in the group and originates mostly from Europe, where presumably no gross flaws relative to the fundamental rights safeguard are expected. This way, the Group doesn't consider being exposed to any specific risks on this matter.

The source of the steel, as a raw material, is certified, thus obtaining a perspective of the origin countries and the conditions related to the same. This aspect can be requested when doubts surge as to the safeguarding of adequate conditions, respectful of human or labour rights, as well as for questions regarding environmental jurisdiction such as radiation levels.

The fact that the main raw material consumed mainly results in the recycling of scrap steel, alleviates some concerns related to the supply chain – this way, there aren't as many social and environmental risks linked to the purchase of this raw material.

Corruption and bribery prevention

[1] Relationship between number of accidents with medical leave and man-hours worked.

[2] Relationship between number of days lost and man-hours worked.

Corruption and bribery are an inherent risk in any economic activity. Nevertheless, the Group's values undermine any behaviour or actions qualified as such. On the other hand, the Ramada Group strongly believes that these values have been interiorized by its personnel, not having detected, historically, any similar situations in these classifications that may have required recording.

Social responsibility

Social responsibility – that has been a concern within the Group – is an important aspect given the impact it has in general and its communities.

As it understands it should be its civic duty, the Ramada Group has made several donations throughout 2017, similarly to previous years. This way, it has approached over 35 institutions, in diversified geographic areas and under the most diverse scopes of action, such as cultural and sport institutions as well as of social nature.

The Ramada Group has a history of over 80 years in working steel, remarking and contributing to the development of local communities. Given its roots of a family business, it has always encouraged that feeling within its employees. This Group believes the two have stood up on a national and international level as a reference, being given the strength of steel and of its employees, that have become the family it is today.

LEGAL MATTERS

Treasury stocks

Pursuant to the requirements of the number 2 of article 324 and article 66 of the Portuguese Companies Act (CSC), the Directors inform that, as of 31 December 2017, F. Ramada Investimentos didn't hold any own share.

At December 31, 2016, F. Ramada Investimentos held 2,564,145 Treasury stocks, representing 9.999996% of the share capital, which were disposed at July 25, 2017.

Shares held by the governing boards of F. Ramada Investimentos

Pursuant to the requirements of article 447 of the Portuguese Companies Act, the Directors inform that, as of 31 December 2017, they held the following shares:

João Manuel Matos Borges de Oliveira [(a)]	5,300,000
Paulo Jorge dos Santos Fernandes [(b)]	4,009,402
Domingos José Vieira de Matos [(c)]	3,118,408
Ana Rebelo de Carvalho Menéres de Mendonça [(d)]	4,845,383

[(a)] – 5,300,000 shares correspond to the total shares of F. Ramada - Investimentos, SGPS, S.A. held by CADERNO AZUL – SGPS, S.A., from which the Director João Manuel Matos Borges de Oliveira is Director and shareholder.

[(b)] – 4,009,402 shares represent F. Ramada – Investimentos, SGPS, S.A total shares held by the Company ACTIUM CAPITAL– SGPS, S.A., where Paulo Jorge dos Santos Fernandes is Director and dominant shareholder.

[(c)] – 2,606,124 represent F. Ramada – Investimentos, SGPS, S.A total shares held by the Company LIVREFLUXO, S.A., where Domingos José Vieira de Matos is Director and majority shareholder and 512,284 held in personal capacity.

[(d)] – 4,845,383 shares represent F. Ramada – Investimentos, SGPS, S.A total shares held by the Company PROMENDO– SGPS, S.A., where Ana Rebelo de Carvalho Menéres de Mendonça is Director and majority shareholder.

As of 31 December 2017, the Statutory Auditor, the members of the Supervisory Board and the members of the Table of the General Shareholders' Meeting held no shares of F. Ramada Investimentos.

Participation in the Company's share capital

Pursuant to the requirements of articles 16 and 20 of the Securities Code (CVM) and article 448 of the Portuguese Companies Act, the Directors inform that, in accordance with the notifications received, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights at 31 December 2017, are as follows:

Santander Asset Management	**Nr of shares held on 31-dec-2017**	**% Share capital with voting rights**
Directly	631,943	2.46%
Total attributable	**631,943**	**2.46%**

Magallanes Value Investors	**Nr of shares held on 31-dec-2017**	**% Share capital with voting rights**
Directly	894,128	3.49%
Total attributable	**894,128**	**3.49%**

1 Thing, Investments,SA	**Nr of shares held on 31-dec-2017**	**% Share capital with voting rights**
Directly	2,565,293	10.004%
Total attributable	**2,565,293**	**10.004%**

Domingos José Vieira de Matos	**Nr of shares held on 31-dec-2017**	**% Share capital with voting rights**
Through Livrefluxo, S.A. (of wich he is dominant shareholder and director)	2,606,124	10.164%
Directly	512,284	1.998%
Total attributable	**3,118,408**	**12.162%**

Paulo Jorge dos Santos Fernandes	**Nr of shares held on 31-dec-2017**	**% Share capital with voting rights**
Through Actium Capital - SGPS, S.A. (of wich he is dominant shareholder and director)	4,009,402	15.64%
Total attributable	**4,009,402**	**15.64%**

Ana Rebelo Carvalho Menéres de Mendonça	**Nr of shares held on 31-dec-2017**	**% Share capital with voting rights**
Through PROMENDO, S.A. (of wich he is dominant shareholder and directora)	4,845,383	18.90%
Total attributable	**4,845,383**	**18.90%**

João Manuel Matos Borges de Oliveira	**Nr of shares held on 31-dec-2017**	**% Share capital with voting rights**
Through CADERNO AZUL, S.A. (of wich he is shareholder and director)	5,300,000	20.67%
Total attributable	**5,300,000**	**20.67%**

F. Ramada Investimentos was not informed of any participation exceeding 33% of the voting rights.

CLOSING REMARKS

We do not want to conclude without thanking our suppliers, financial institutions and other partners of the Group for their trust in our organization. We would also like to thank the External Auditor for the assistance provided during the financial year of 2017 and the Supervisory Board for the continued monitoring of our operations.

Oporto, 21 March 2018

The Board of Directors

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João Manuel Matos Borges de Oliveira

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Paulo Jorge dos Santos Fernandes

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Domingos José Vieira de Matos

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Pedro Miguel Matos Borges de Oliveira

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Ana Rebelo de Carvalho Menéres de Mendonça

STATEMENT UNDER THE TERMS OF ARTICLE 245, PARAGRAPH 1, C) OF THE SECURITIES CODE

The signatories individually declare that, to the best of their knowledge, the Management Report, the Individual and the Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, and other accounting documents required by law or regulation, giving a truthful and appropriate image of assets and liabilities, financial position and the consolidated and individual results of F. Ramada Investimentos, SGPS, S.A. and of the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties faced.

RESPONSIBILITY STATEMENT

The members of the Board of Directors of F. Ramada Investimentos. S.G.P.S., S.A. declare that they assume the responsibility for this information and ensure that the items included herein are true and that, to the best of their knowledge, there are no omissions.

As required by article 210 of the Social Security Contributions Plan Code (approved by Law 110/2009 of 16 September), the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

RAMADA INVESTMENTS AND INDUSTRY

APPENDICES TO THE MANAGEMENT REPORT

APPENDIX I

1. Board of Directors

Qualification, experience and positions held in other companies by members of the Board of Directors:

João Manuel Matos Borges de Oliveira

He was one of the founders of Altri (company from which F. Ramada Investimentos demerged), and has been directly involved in the Group's management since its incorporation. Graduated from the Porto University with a degree in Chemical Engineering, he holds an MBA at INSEAD. He works in the media and industry sectors, as well as in the definition of the Group´s strategy.

João Borges de Oliveira is shareholder of the Company since 2008, having also been appointed as Director at the same date.

In addition to the Companies where he currently exercises functions of administration, his professional experience includes:

1982/1983	Assistant Director of Production at Cortal
1984/1985	Production Director at Cortal
1987/1989	Marketing Director at Cortal
1989/1994	General Director at Cortal
1989/1995	Vice President of the Board at Cortal
1989/1994	Director at Seldex
1996/2000	Non-executive Director at Atlantis, S.A.
1997/2000	Non-executive Director at Group Vista Alegre, S.A.
1998/1999	Director at Efacec Capital, SGPS, S.A.
2008/2011	Non-executive direction at Zon Multimédia, SGPS, S.A.
2008/2015	President of the Statutory Audit Board of Oporto Business School
2011/2013	Member of ISCTE-IUL CFO Advisory Forum

The other companies in which he carries out management functions as of 31 December 2017 are the following:

- Altri Abastecimento de Madeira, S.A. (a)
- Altri Participaciones Y Trading, S.L. (a)
- Altri, SGPS, S.A. (a)
- Caderno Azul, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Caima Energia – Emp. Gestão e Exploração de Energia, S.A. (a)
- Captaraíz – Unipessoal, Lda. (a)
- Celulose Beira Industrial (Celbi), S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Cofina, SGPS, S.A. (a)
- Cofina Media, S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A.
- Indaz, S.A. (a)

- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.
- Storax Limited
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal – Afir, S.A.

a) – Companies that, as of 31 December 2017 cannot be considered to be part of Ramada Investimentos Group.

Paulo Jorge dos Santos Fernandes

Also, one of the founders of Altri (company from F. Ramada Investimentos demerged), Paulo Fernandes has been directly involved in the Group's management since its incorporation. He is graduated from Oporto University with a degree in Electronic Engineering, and has also an MBA at the University of Lisbon. He works in the media and industry sectors, as well as in the definition of the Group´s strategy.
He is shareholder of the Company since 2008, having also been appointed as Director at the same date.
He develops its activities in Media, Internet and paper pulp's industry. Nowadays, he is President and CEO of Cofina, CO-CEO of Altri, from which is founder, shareholder, member of the Board of Directors and President.
In addition to the Companies where he currently exercises functions of administration, his professional experience includes:

1982/1984	Assistant Director of Production at CORTAL
1986/1989	General Director at CORTAL
1989/1994	President of the Board of Directors at CORTAL
1995	Director at Crisal – Cristais de Alcobaça, S.A.
1997	Director at Group Vista Alegre, S.A.
1997	Chairman of the Board of Directors at Atlantis - Cristais de Alcobaça, S.A.
2000/2001	Director at SIC

Throughout his career, he also played roles in several associations:

1989/1994	President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal
1989/1990	President of General Assembly at Assoc. Industr. Águeda
1991/1993	Member of Advisory Board at Assoc. Ind. Portuense
Since 2005	Member of Superior Council of the Association of Former Students of MBA
2013/2016	Chairman of the Supervisory Board of BCSD
Since 2006	Advisory Board Member for Engineering and Management IST
Since 2016	Member of the Advisory Board of CELPA – Associação da Indústria Papeleira

The other companies in which he carries out management functions as of 31 December 2017 are the following:

- A Nossa Aposta – Jogos e Apostas On-Line, S.A. (a)
- Actium Capital, S.A. (a)
- Altri Abastecimento de Madeira, S.A. (a)
- Altri Participaciones Y Trading, S.L. (a)
- Altri, SGPS, S.A. (a)
- Articulado – Actividades Imobiliárias, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Caima Energia – Emp. Gestão e Exploração de Energia, S.A. (a)
- Celulose Beira Industrial (Celbi), S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Cofina, S.G.P.S, S.A. (a)
- Cofina Media, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A.
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.- Santos Fernandes & Vieira Matos, Lda. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)

(a) – Companies that, as of 31 December 2017 cannot be considered to be part of Ramada Investimentos Group.

Domingos José Vieira de Matos

He was one of the founders of Altri (company from which F. Ramada Investimentos demerged), and has been directly involved in the Group's management since its incorporation. Domingos de Matos holds a degree in Economics from the Faculty of Economy of the University of Oporto. He initiated his career in management in 1978. He is shareholder of the Company since 2008 and has been Director since that date.

In addition to the companies where he currently exercises his duties as Director, his professional experience includes:

1978/1994	Director at CORTAL, S.A.
1983	Founding Partner of PROMEDE – Produtos Médicos, S.A.
1998/2000	Director at ELECTRO CERÂMICA, S.A.

The other companies in which he carries out management functions as of 31 December 2017 are as follows:

- Altri Florestal, S.A. (a)
- Altri, SGPS, S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celulose Beira Industrial (Celbi), S.A. (a)
- Cofina, SGPS, S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A.
- Livrefluxo, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal - Afir, S.A.

(a) – Companies that, as of 31 December 2017 cannot be considered to be part of Ramada Investimentos Group.

Pedro Miguel Matos Borges de Oliveira

He holds a degree in Financial Management by Instituto Superior de Administração e Gestão do Porto.

In 2000 he concluded the MBA Executive in Escuela Superior de Administración y Dirección de Empresas (ESADE), now called Católica Porto Business School. In 2009, he attended a Course of Company Evaluation in EGE- Escola de Gestão Empresarial. He was appointed as Director of the Company in May 2009.

Besides other companies where he currently exercises duties as Director, his professional experience includes:

1986/2000	Management advisor of FERÁGUEDA, Lda.
1992	Director at Bemel, Lda.
1997/1999	Assistant manager of GALAN, Lda.
1999/2000	Assistant Director of the department of Saws and Tools of F. Ramada Aços e Indústrias, S.A.
2000	Director of the Department of Saws and Tools of F. Ramada, Aços e Indústrias, S.A.
2006	Director of Universal Afir, Aços Especiais e Ferramentas, S.A.
2009	Director of Cofina, S.G.P.S., S.A.
2014	Director of Altri, SGPS, S.A.

The other companies where he carries out management functions as of 31 December 2017 are as follows:

- Altri Florestal, S.A. (a)
- Altri, S.G.P.S., S.A. (a)
- Celulose Beira Industrial (Celbi), S.A. (a)
- Cofihold S.G.P.S., S.A. (a)
- Cofihold II, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal - Afir, S.A.
- Valor Autêntico, S.A. (a)
- 1 Thing, Investments, S.A. (a)

(a) – Companies that, as of 31 December 2017 cannot be considered to be part of Ramada Investimentos Group.

Ana Rebelo de Carvalho Menéres de Mendonça

Has a Degree in Economics by Universidade Católica Portuguesa in Lisbon, having been appointed as Director of the Company since May 2009.

Besides other companies where she currently exercises duties of Director, her professional experience includes:

1995	Journalist in the economic segment of the newspaper Semanário Económico
1996	Commercial department of Citibank
1996	Director at Promendo, S.A.
2009	Director at PROMENDO, SGPS, S.A.

The other companies where she carries out management functions as of 31 December 2017 are as follows:

- Altri, SGPS, S.A. (a)
- Cofihold, SGPS, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Promendo, SGPS, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Ramada Storax, S.A.

(a) – Companies that, as of 31 December 2017 cannot be considered to be part of Ramada Investimentos Group.

2. Statutory Audit Board

Qualifications, experience and other functions held by the Statutory Audit Board members:

Pedro Nuno Fernandes de Sá **Pessanha Da Costa**

Academic curriculum:

Degree in Law from the Faculty of Law of the University of Coimbra in 1981
Complimentary training in Company Management and Economic and Financial Analysis at the School of Law of the Portuguese Catholic University, Porto, 1982 and 1983.

Professional experience:

Member of the Lawyers Association ("Ordem dos Advogados") since 1983
President of the General and Supervisory Board of a public company from 1996 to 2010
President of the General Shareholders Meeting of several listed and non-listed companies
Continuous law practice since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts
Co-author of the chapter about Portugal in "Handbuch der Europäischen Aktien-Gesellschaft" – Societas Europaea – by Jannot / Frodermann, published by C.F. Müller Verlag

Other positions held:

President of the Supervisory Board of Banco Português de Investimento, S.A. (a)
President of the Supervisory Board of Cofina, SGPS, S.A. (a)
President of the Supervisory Board of Altri, SGPS, S.A. (a)
Member of the Cofina, SGPS, S.A. Remuneration Committee (a)
Member of the Altri, SGPS, S.A. Remuneration Committee (a)
President of the Shareholders General Meeting of Unicer Bebidas, S.A. (a)
President of the Shareholders General Meeting of SOGRAPE, SGPS. S.A. (a)
President of the Shareholders General Meeting of SOGRAPE Vinhos, S.A. (a)
President of the SOGRAPE SGPS, S.A. Remuneration Committee (a)
President of the Shareholders General Meeting of Base Holding, SGPS, S.A. (a)
President of the Shareholders General Meeting of Adriano Ramos Pinto, S.A. (a)
President of the Shareholders General Meeting of Aquitex – Acabamentos Químicos Têxteis, S.A. (a)
Honorary Consul of Belgium in Oporto (a)
Vice-President of Board of Directors of Associação do Corpo Consular do Porto

(a) – Companies that, as of 31 December 2017 cannot be considered to be part of Ramada Investimentos Group.

António Luís Isidro de **Pinho**

Academic curriculum:

Degree in Economics at Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1973 – 1978)
Degree in Organization and Business Administration, by Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1986 – 1989)
Statutory Auditor, since 1987
Member of Economists Bar ("Ordem dos Economistas"), of the Technical Officials of Accounts Bar ("Ordem dos Técnicos Oficiais de Contas") and of the Portuguese Association of Tax Consultants.

Professional experience:

The 35 years of working experience have been focused on external internal audit and financial management of several companies.
He began his professional activity in 1976 as a financial department in several companies.
From January 1982 till December 1986, he joined Arthur Andersen & Co as Audit Manager.
1987 till 1996 he was financial advisor to several commercial and industrial companies.
From October 1997 till November 2008, he joined the staff of Moore Stephens, as partner of A. Gonçalves Monteiro & Associados, SROC.
Since 1996, he has been a full-time statutory auditor, having integrated Veiga, Pinho & Silva - SROC, a company that has been incorporated into Kreston Associados.
He is currently partner responsible for the legal review of the accounts of several industrial and commercial companies.
Since 1997, he has held a position as single Auditor, member of the Fiscal Council and External Auditor of several commercial and industrial companies of significant size and different activity sectors.
He is Managing Partner of Kreston & Associados - SROC, Lda.
He performs technical duties as Statutory Auditor and is responsible for the firm in Quality Control.

Other positions held:

Member of the Cofina, SGPS, S.A. Supervisory Board (a)
Member of the F. Ramada Investimentos, SGPS, S.A. Supervisory Board (a)

a) – companies that, at 31 December 2017, cannot be considered as part of Ramada Investimentos Group.

Guilherme Paulo Aires da Mota Correia **Monteiro**

Qualifications:	Degree in Economics from the Faculty of Economics of the University of Porto Master in Business Administration, IEDE
Professional Experience:	He began his career in 1991 at Deloitte in Management Solutions. In 1999, he was promoted to Manager of the Financial Services MS Porto department. In 2007 he was promoted to Associate Partner of Deloitte's Corporate Finance department. From 2002 to 2013 he was responsible for the Corporate Finance Division in Oporto, specialized in mergers and acquisitions, appraisals, debt advisory and project finance. From 2014 to 2016 integrated Deloitte's Financial Advisory Services division in Lisbon, in the areas of M & A, Debt Advisory and Investment and Capital Projects. His activity was carried out in companies of different sectors of activity, namely in the tourism, real estate, private equity, banking, construction, health, automotive, metal-mechanic, agri-food, textile, cork, furniture, chemical and TMT sectors. He has a solid background in mergers and acquisitions, MBO, MBI, appraisals, strategic consulting, feasibility studies, investment projects, business plans, corporate recovery, private placements, project finance and debt advisory.
Other positions held:	
	Independent Consultant (a) Member of the Cofina, SGPS, S.A. Supervisory Board (a) Member of the F. Ramada Investimentos, SGPS, S.A. Supervisory Board (a)

a) – companies that, at 31 December 2017, cannot be considered as part of Ramada Investimentos Group.

Article 447 of the Portuguese Companies Act and Article 14, no. 7, of the Portuguese Securities Regulator (CMVM), regulation no. 5/2008

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248 B of the Securities Code), and disclosure of the respective transactions during the year:

Members of the Board of Directors	Shares held at 31 December 2016	Acquisitions	Disposal	Others	Shares held at 31 December 2017
João Manuel Matos Borges de Oliveira (through CADERNO AZUL, S.A.)	5,300,000	-	-	-	5,300,000
Paulo Jorge dos Santos Fernandes (through ACTIUM CAPITAL, S.A.)	4,009,402	-	-	-	4,009,402
Domingos José Vieira de Matos (through LIVREFLUXO, S.A.)	2,590,631	15,493	-	-	2,606,124
Domingos José Vieira de Matos (direct)	-	-	-	512,284	512,284
Ana Rebelo de Carvalho Menéres de Mendonça (through PROMENDO - SGPS, S.A.)	4,945,383	-	(100,000)	-	4,845,383
Pedro Miguel Matos Borges de Oliveira (through 1 THING, INVSTMENTS, S.A.)	2,072,862	492,431	-	-	2,565,293

Domingos José Vieira de Matos (imputation via LIVREFLUXO, S.A.)

Date	Type	Volume	Price (€)	Local	Nr of shares
31-Dec-16	-	-	-	-	2.590.631
3-Jan-17	Acquisition	1.000	5,160000	Euronext Lisbon	2.591.631
3-Jan-17	Acquisition	4.250	5,150000	Euronext Lisbon	2.595.881
6-Jan-17	Acquisition	500	5,200000	Euronext Lisbon	2.596.381
9-Jan-17	Acquisition	1.000	5,250000	Euronext Lisbon	2.597.381
9-Jan-17	Acquisition	1.000	5,250000	Euronext Lisbon	2.598.381
11-Jan-17	Acquisition	300	5,440000	Euronext Lisbon	2.598.681
11-Jan-17	Acquisition	1.500	5,500000	Euronext Lisbon	2.600.181
17-Jan-17	Acquisition	1.000	5,720000	Euronext Lisbon	2.601.181
19-Jan-17	Acquisition	300	5,830000	Euronext Lisbon	2.601.481
19-Jan-17	Acquisition	42	5,830000	Euronext Lisbon	2.601.523
19-Jan-17	Acquisition	145	5,950000	Euronext Lisbon	2.601.668
19-Jan-17	Acquisition	1.900	5,990000	Euronext Lisbon	2.603.568
27-Jan-17	Acquisition	9	5,900000	Euronext Lisbon	2.603.577
27-Jan-17	Acquisition	191	5,900000	Euronext Lisbon	2.603.768
27-Jan-17	Acquisition	500	5,900000	Euronext Lisbon	2.604.268
2-Feb-17	Acquisition	31	5,889000	Euronext Lisbon	2.604.299
2-Feb-17	Acquisition	360	5,889000	Euronext Lisbon	2.604.659
2-Feb-17	Acquisition	465	5,890000	Euronext Lisbon	2.605.124
2-Feb-17	Acquisition	640	5,900000	Euronext Lisbon	2.605.764
2-Feb-17	Acquisition	360	5,900000	Euronext Lisbon	2.606.124
31-Dec-17	-	-	-	-	2.606.124

Domingos José Vieira de Matos (directamente)

Date	Type	Volume	Price (€)	Local	Nr of shares
31-Dec-16	-	-	-	-	-
27-Dec-17	Doation	512.284	10,610000	-	512.284
31-Dec-17	-	-	-	-	512.284

Ana Rebelo de Carvalho Menéres de Mendonça (imputation via PROMENDO - SGPS, S.A.)

Date	Type	Volume	Price (€)	Local	Nr of shares
31-Dec-16	-	-	-	-	4.945.383
7-Dec-17	Disposal	100.000	11,345000	Euronext Lisbon	4.845.383
31-Dec-17	-	-	-	-	4.845.383

Pedro Miguel Matos Borges de Oliveira (imputation via 1 THING, INVESTMENTS, S.A.)

Date	Type	Volume	Price (€)	Local	Nr of shares
31-Dec-16	-	-	-	-	2.072.862
13-Nov-17	Acquisition	161.500	9,990000	Euronext Lisbon	2.234.362
17-Nov-17	Acquisition	100.000	10,460000	Out of exchange	2.334.362
20-Nov-17	Acquisition	80.931	10,550000	Out of exchange	2.415.293
22-Nov-17	Acquisition	50.000	11,000000	Out of exchange	2.465.293
5-Dec-17	Acquisition	100.000	11,345000	Euronext Lisbon	2.565.293
31-Dec-17	-	-	-	-	2.565.293

Shaping industry

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RAMADA INVESTMENTS AND INDUSTRY

CONSOLIDATED FINANCIAL STATMENTS AND NOTES

80 YEARS
Investing in industry

F. RAMADA INVESTIMENTOS, SGPS, S.A.

Consolidated Statements of Financial Position
At 31 December 2017 and 2016
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amounts expressed in Euro)

Assets	Notes	31.12.2017	31.12.2016
Non-Current Assets:			
Investment properties	6	84,921,939	84,853,689
Property, plant and equipment	7	22,800,147	11,825,073
Intangible assets	8	116,152	21,949
Goodwill	4.1	1,245,520	1,245,520
Investment in an associate	4.2	-	16,812,392
Other Investments	4.3	8,492	3,493,138
Non-current financial assets	34	1,439,631	-
Deferred Tax Assets	9	4,552,283	3,673,642
Total Non-Current Assets		115,084,164	121,925,403
Current Assets:			
Inventories	10	28,871,968	21,498,481
Trade receivables	11	54,403,293	49,931,173
State and other public entities	12	3,170,043	548,145
Other accounts receivables	13	1,862,228	2,284,712
Other current assets	14	5,626,683	2,365,845
Cash and cash equivalents	15	105,099,639	17,220,214
Total Current Assets		199,033,854	93,848,570
Total Assets		314,118,018	215,773,973

Equity and Liabilities	Notes	31.12.2017	31.12.2016
Equity			
Issued capital	16	25,641,459	25,641,459
Treasury shares	16	-	(1,641,053)
Legal reserve	16	6,460,877	6,231,961
Foreign currency translation reserve	16	(1,080,409)	(891,241)
Other capital reserves and retained earnings	16	58,429,714	34,737,106
Current year consolidated net profit		56,708,187	13,860,952
Equity attributable to equity holders of theparent		146,159,828	77,939,184
Non-controlling Interests	17	4,923	142,364
Total Equity		146,164,751	78,081,548
Liabilities:			
Non-Current Liabilities			
Long-term bank loans	18	57,455,951	43,473,155
Other long-term loans	18	6,874,761	5,000,000
State and other public entities	12	-	311,787
Other accounts payables	21	238,752	-
Provisions	23	3,100,736	2,883,080
Deferred tax liabilities	9	955,993	31,125
Total Non-Current Liabilities		68,626,193	51,699,147
Current Liabilities			
Short-term bank loans	18	7,511,465	3,985,753
Other short-term loans	18	41,128,981	37,734,033
Trade accounts payable	20	26,429,496	18,133,024
State and other public entities	12	6,612,242	4,543,447
Other accounts payable	21	2,868,687	5,948,256
Other current liabilities	22	14,776,203	15,648,765
Total Current Liabilities		99,327,074	85,993,278
Total Equity and Liabilities		314,118,018	215,773,973

The annex belongs to the consolidated financial statements position

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

Consolidated Statements of profit or loss
At 31 December 2017 and 2016
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amouts expressed in Euros)

	Notes	31.12.2017	31.12.2016
Sale of goods and rendered services	32	156,885,993	135,930,420
Other income	25	1,333,519	1,415,017
Cost of sales and variation in production	10	(83,673,106)	(72,265,408)
Suppliers and external services	26	(29,668,328)	(25,758,754)
Payroll expenses	27	(19,211,697)	(16,627,517)
Amortizations and depreciations	7 e 8	(5,931,029)	(4,719,064)
Provisions and impairment losses	23	304,309	(634,387)
Other expenses	28	(1,139,592)	(734,087)
Share of profit of an associate or joint venture	4.2	42,527,206	2,028,057
Financial costs	29	(1,863,614)	(2,087,805)
Financial income	29	212,913	205,274
Profit before tax		**59,776,574**	**16,751,746**
Corporate income tax	9	(3,068,387)	(2,824,170)
Net profit		**56,708,187**	**13,927,576**
Attributable to:			
Equity holders of the parent	16	**56,708,187**	**13,860,952**
Non-controlling interests	17	**-**	**66,624**
Earnings per share			
Basic	31	**2.34**	**0.60**
Diluted	31	**2.34**	**0.60**

The attached notes form na integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

Consolidated Statements of Comprehensive Income
At 31 December 2017 and 2016
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amouts expressed in Euros)

	Notes	31.12.2017	31.12.2016
Net consolidated profit for the year		56,708,187	13,927,576
Other comprehensive income:			
Items that may be reclassified to profit or loss			-
Items that may be subsequently reclassified to profit or loss			
Exchange rate differences	16	(189,168)	(764,622)
Derivates		-	35,996
Other comprehensive income for the year		(189,168)	(728,626)
Total comprehensive income for the year		**56,519,019**	**13,198,950**
Attributable to::			
Equity holders of the Parent	16	**56,519,019**	**13,132,326**
Non-controlling interests	17	**-**	**66,624**

The attached notes form na integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

Consolidated Statements of Changes in Equity
At 31 December 2017 and 2016
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amouts expressed in Euros)

		Attributable to the parent company´s shareholders								
	Notes	Issued capital	Treasury shares	Legal reserve	Foreign currency translation reserve	Other capital reserves and retained earnings	Net Profit	Total	Minority Interests (Note 17)	Total Equity
Balance as of 1 January 2016		25,641,459	(1,641,053)	5,935,519	(126,619)	28,811,105	11,032,683	69,653,094	75,740	69,728,834
Total consolidated comprehensive income for the year	16	-	-	-	(764,622)	35,996	13,860,952	13,132,326	66,624	13,198,950
Appropriation of the consolidated net profit for 2015:								-		-
Transfer to other reserves		-	-	296,442	-	10,736,241	(11,032,683)	-	-	-
Dividends	16	-	-	-	-	(4,846,236)	-	(4,846,236)	-	(4,846,236)
Balance as of 31 December 2016		**25,641,459**	**(1,641,053)**	**6,231,961**	**(891,241)**	**34,737,106**	**13,860,952**	**77,939,184**	**142,364**	**78,081,548**
Balance as of 1 January 2017		25,641,459	(1,641,053)	6,231,961	(891,241)	34,737,106	13,860,952	77,939,184	142,364	78,081,548
Total consolidated comprehensive income for the year	16	-	-	-	(189,168)	-	56,708,187	56,519,019	-	56,519,019
Appropriation of the consolidated net profit for 2016:										
Transfer to other reserves		-	-	228,916	-	13,632,036	(13,860,952)	-	-	-
Dividends	16	-	-	-	-	(6,461,648)	-	(6,461,648)	-	(6,461,648)
Alienation of own shares	16	-	1,641,053	-	-	16,384,887	-	18,025,940	-	18,025,940
Changes in scope of consolidation	16	-	-	-	-	42,364	-	42,364	(142,364)	(100,000)
Perimeter variation		-	-	-	-	-	-	-	4,923	4,923
Other movements		-	-	-	-	94,969	-	94,969	-	94,969
Balance as of 31 December 2017		**25,641,459**	**-**	**6,460,877**	**(1,080,409)**	**58,429,714**	**56,708,187**	**146,159,828**	**4,923**	**146,164,751**

The attached notes form na integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

F. RAMADA INVESTIMENTOS, SGPS, S.A.

Consolidated Statements of Cash Flows
At 31 December 2017 and 2016
(Translation of financial statements originally issued in Portuguese - Note 35)
(Amouts expressed in Euros)

	Notes	31.12.2017		31.12.2016	
Operational activities:					
Collections from customers		202,272,755		155,352,458	
Payments to suppliers		(155,726,531)		(119,702,436)	
Payments to personnel		(13,896,559)	32,649,665	(11,515,614)	24,134,408
Paid/Received Corporate Income Tax		(3,588,464)		(3,729,052)	
Other payments/collections related to operational activities		(3,762,426)	(7,350,890)	(3,287,723)	(7,016,775)
Cash-flow from operational activities (1)			25,298,775		17,117,633
Investment activities:					
Collections arising from:					
Dividends		-		493,057	
Tangible assets		294,856		95,229	
Other assets		-		1,877	
Investment properties		84,000		523,850	
Financial investments	4.4	61,264,579		-	
Interests and similar income		173,717	61,817,152	210,095	1,324,108
Payments arising from:					
Financial investments	4.4	(1,355,985)		(1,753,668)	
Intangible assets		(174,340)		(20,398)	
Tangible assets		(10,661,422)		(7,345,610)	
Investment properties		(96,970)		-	
Loans granted		-	(12,288,717)	-	(9,119,676)
Cash-flow from investment activities (2)			49,528,435		(7,795,568)
Financing activities:					
Collections arising from:					
Capital increases and of other shares capital´s instruments		18,025,939		-	
Other financing operations		1,874,761		1,871	
Loans obtained		6,636,087	26,536,787	-	1,871
Payments arising from:					
Interests and similar costs:		(2,013,851)		(2,242,186)	
Other financing operations		-		(103,891)	
Dividends	16.2	(6,461,648)		(4,846,236)	
Loans obtained		(7,723,986)	(16,199,485)	(7,910,406)	(15,102,719)
Cash-flows from financing activities (3)			10,337,302		(15,100,848)
Cash and cash equivalents at the beginning of the year	15		**10,037,127**		**15,863,613**
Effect of exchage rate changes			(137,683)		(47,703)
Changes in scope of consolidation	4.1		2,354,428		-
Variation of cash and cash equivalents: (1)+(2)+(3)			85,164,512		(5,778,783)
Cash and cash equivalents at the end of the year	15		**97,418,384**		**10,037,127**

The attached notes form na integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

F. Ramada Investimentos, SGPS, S.A. ("F. Ramada" or "Company") is a Company incorporated as of June 1, 2008, with its head-office located at Rua do General Norton de Matos, 68, r/c - Porto, Portugal, and whose main activity is the management of financial investments, being its shares listed in the Euronext Lisbon Stock Exchange.

F. Ramada was created as a result of the reorganization process of Altri, SGPS, S.A. through the demerger of the business areas of steel and storage systems, namely the participation held in F. Ramada – Aços e Indústrias, S.A., which represented the voting rights of the mentioned company. The restructuring involved a simple demerger operation, as predicted in item 1.a), article 118, of the Portuguese Companies Act ("Código das Sociedades Comerciais").

Following this process, the assets corresponding to the shareholdings of the business units of steel and storage systems, including all the resources (such as human resources, assets and liabilities) related to that business unit were transferred from Altri, SGPS, S.A. to F. Ramada.

Currently, F. Ramada is the parent company of the group of companies listed in Note 4 (designated as F. Ramada Group), and, through these financial holdings structure, it focuses its operations in (i) Industrial activity, which includes steel trade, storage systems sales, and management of financial investments related to participations in which the group has a minority position, and (ii) real estate, which consists in the management of this type of assets.

As of 31 December 2017 and 31 December 2016, the Group developed its activity in Portugal, France, the United Kingdom, Belgium and Spain.

The consolidated financial statements of F. Ramada Group are presented in Euro (rounded to units), which is the currency used by the Group in its operations and, therefore, is its functional currency. The operations of the foreign companies whose functional currency is different from Euro are included in the consolidated financial statements in accordance with the policy set out in Note 2.2.d.

2. MAIN ACCOUNTING POLICIES

The basis of presentation and the main accounting policies adopted in the preparation of the consolidated financial statements are as follows:

2.1. BASIS OS PRESENTATION

The accompanying consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation, maintained in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union for financial years started as from 1 January 2017. These standards include the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and respective interpretations issued by the International Financial Reporting Standards - Interpretations Committee ("IFRS - IC") and by the Standing Interpretations Committee ("SIC"), as adopted by the European Union.

The Board of Directors evaluated the Company and its related party's ability to operate on a going concern basis, by using the available information including facts and circumstances of various natures (financial, commercial and others), and subsequent events after 31 December 2017. The Board of Directors concluded that the Company has capacity to operate in the future, according to the going concern principle.

Additionally, for financial reporting purposes, the fair value measurement is categorized in levels 1, 2 and 3, according to the level in which the used assumptions are observable and its significance, in what concerns fair value valuation, used in the measurement of assets/liabilities or its disclosure.

Level 1 – Fair value is determined based on active market prices for identical assets and liabilities;

Level 2 – The fair value is determined based on data other than market prices identified in level 1 but they are possible to be observable, and;

(Amounts stated in Euros)

Level 3 – Fair value measurements derived from valuation techniques, whose main inputs are not based on observable market data.

The Interim financial statements were presented quarterly, in accordance with IAS 34 – "Interim Financial Report".

(I) Standards, interpretations, amendments and revisions which have mandatory application in the financial year ended as 31 December 2017:

The following standards, interpretations, amendments and revisions were endorsed by the European Union and have mandatory application for the first time in the financial year ended as of 31 December 2017:

Standard/Interpretation	Applicable in the European Union in the years beginning on after	
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	1 January 2017	The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.
IAS 7 Disclosure Initiative – Amendments to IAS 7	1 January 2017	The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

These standards were first applied by the Group in 2017, however there were no significant impacts on these financial statements in addition to the above-mentioned disclosures.

(II) Standards, interpretations, amendments and revisions with mandatory application in future years

The following standards, interpretations, amendments and revisions were endorsed by the European Union and have mandatory application in future economic exercises:

Standards / Interpretation	Applicable in the European Union in the years beginning on after	
IFRS 9 – Financial Instruments	1 January 2018	This standard is part of the revision of IAS 39 and establishes the new requirements for the classification and measurement of financial assets and liabilities to the methodology for the calculation of impairment and for the application of hedge accounting rules.
IFRS 15 – Revenue from contracts with customers	1 January 2018	IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as IAS 17 Leases (or IFRS 16 Leases, once applied). Its requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets,

(Amounts stated in Euros)

		including property, plant and equipment and in Property, plant and equipment.
IFRS 16 – Leases	1 January 2019	IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).
Clarifications about the IFRS 15 – Revenue from contracts with customers	1 January 2018	These amendments introduce several clarifications in the standard in order to eliminate the possibility of divergent interpretations of several topics
Amendment to IFRS 4 – Insurance Contracts	1 January 2018	The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach.
Amendment to IAS 40 – Investment Properties - Transfers of Investment Property	1 January 2018	The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	1 January 2018	The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.
IFRS 2 Classification and Measurement of Share based Payment Transactions – Amendments to IFRS 2	1 January 2018	The IASB issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments address three main areas: (i) The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, (ii) The classification of a share-based payment transaction with net settlement features for withholding tax obligations), (iii) The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity settled.
Amendment to IFRS 9 - Prepayment features with negative compensation	1 January 2019	The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for

(Amounts stated in Euros)

		entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach.
Annual Improvements to international financial reporting standards (2014-2016 cycle)	1 January 2017/ 1 January 2018	These improvements include the clarification of some aspects related to: IFRS 1 - First Time Adoption of International International Financial Reporting Standards☹ Deletion of short-term exemptions for first-time adopters); IFRS 12 - Disclosure of Interests in Other Entities: (Clarification of the scope of the disclosure requirements in IFRS 12); IAS 28 - Investments in Associates and Joint Ventures (Clarification that measuring investees at fair value through profit or loss is an investment-by investment choice).

The Group did not proceed to the early adoption of any of these standards on the financial statements for the year ended on the 31 December 2017, since their application is not yet mandatory. There is no estimated significant impact on the accounts resulting from their application.

(III) Standards, interpretations, amendments and revisions not endorsed by the European Union

The following standards, amendments and revisions applicable to future years have not been endorsed by the European Union up to the date of approval of these financial statements:

Standard / Interpretation	
IFRS 17 – Insurance Contracts	The IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. In September 2017, the Board established a Transition Resource Group (TRG) for IFRS 17 that will be tasked with analysing implementation-related questions on IFRS 17.
Annual Improvements to international financial reporting standards (2015-2017 cycle)	These improvements clarify some aspects related to: IFRS 3 – business combinations: requires the re-measurement of previously held interests when an entity gains control over an affiliate with whom had joint control; IFRS 11 – Joint arrangements: clarifies that previously held interests should not be re-measured when an entity obtains joint control over a joint operation; IAS 12 – Income taxes: ensures that every fiscal consequence arisen from dividends must be recorded in the profit and loss account, irrespective of how the tax has surged; IAS 23 – Borrowing costs: Ensures that the part of the loan allocated to the construction/ purchase of an asset, owed upon the same has become ready for its desired use, is (for the purpose of calculating the rate of capitalization) considered an integral part of the entity's general funding.
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

(Amounts stated in Euros)

IFRIC 23 - Uncertainly over income tax treatments	The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.
Amendment to IAS 19 – plan amendment, curtailment or settlement	The amendment intends to explain how to correctly address the accounting when a plan amendment, curtailment or settlement occurs during a period.
Amendment to the IFRS Conceptual Framework	This amendment revises the concepts included in the conceptual framework of IFRSs and in support of financial reporting.

These standards have not yet been endorsed by the European Union and therefore have not been applied by the Group in the year ended as 31 December 2017.

Regarding these standards and interpretations issued by IASB, but still not approved ("Endorsed")) by the European Union, we do not predict significant impacts to the annexed financial statements.

The accounting policies and measurement criteria adopted by the Group as of 31 December 2017 are consistent with those used in the preparation of the consolidated financial statements as of 31 December 2016.

2.2. CONSOLIDATION POLICIES

The consolidation policies adopted by F. Ramada Group in the preparation of the consolidated financial statements are as follows:

a) **Investments in Group Companies**

Investments in companies in which F. Ramada Group has control, directly or indirectly, are included in the consolidated financial statements by the full consolidation method. The Group has control on its subsidiaries if the following conditions are observed: i) the Group has influence on its subsidiary; ii) it is exposed to, or has the right to, changeable results, according to the relationship between its subsidiary; iii) has the capacity to use its power on its subsidiary in a way that can affect its results. When any change occurs to one or more of these conditions, the control is evaluated again.

Equity and net profit attributable to minority shareholders are shown separately, under the caption "Non-controlling interests", in the consolidated statement of financial position and in the consolidated statement of profit and loss. Companies included in the consolidated financial statements by the full consolidation method are listed in Note 4.1.

The subsidiary comprehensive income is attributed to the Group owners and to non-control interests, even if that causes a negative balance with non-control interests.

Under business combinations, the assets and liabilities of each subsidiary are measured at their fair value at the date of acquisition in accordance with IFRS 3 - "Business Combinations". Any excess on the cost of acquisition over the fair value of the identifiable net assets and liabilities acquired is recognized as goodwill (Note 2.2.c). Any excess of the fair value of the identifiable net assets and liabilities acquired over its cost is recognized as income in the profit and loss statement of the period of acquisition, after reassessment of the estimated fair value. Non-controlling interests are presented according to their share in the fair value of the identifiable assets and liabilities.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, respectively.

Adjustments to the financial statements of Group companies are performed, whenever necessary, in order to adapt its accounting policies to those used by the Group. All intercompany transactions, balances and distributed dividends are eliminated during the consolidation process.

b) Investment in associated companies

Investments in associates (companies where the Group has significant influence but has no control over the financial and operating decisions - usually corresponding to holdings between 20% and 50% in a company's issued capital) are accounted for in accordance with the equity method.

According to the equity method, the investments in an associate are initially recorded at acquisition cost, which is adjusted proportionally to the Group's corresponding Issued capital, as at the acquisition date or as at the date of the first adoption of the equity method. On a yearly basis, investments are adjusted in accordance with the Group's participation in the associated company's net income against gains or losses for the year. Additionally, the dividends of the subsidiary are recorded as a reduction in the investment's book value and the Group's proportion in the changes occurred in the associated company's equity are recorded as a change in the Group's equity.

Any excess of the cost of acquisition over the Group's share in the fair value of the identifiable net assets acquired is recognized as goodwill, which is included in the caption "Investment in an associate". If that difference is negative it is recorded as a gain in the caption "Gains and losses in associated companies", after reassessment of the fair value of the identifiable assets and liabilities acquired.

An evaluation of investments held in associated companies is performed whenever there are signs of impairment in those investments. Impairment losses are recorded in the statement of profit and loss for the period. When those losses recorded in previous periods vanish, they are reverted in the statement of profit and loss for the period.

When the Group's share of losses in the associated company exceeds the investment's book value, the investment is recorded at null value, except to the extent of the Group's commitments to the associate. In such case, the Group records a provision to cover those commitments.

Unrealized gains arising from transactions with associated companies are eliminated to the extent of the Group's interest in the associate against the investment held. Unrealized losses are eliminated but only to the extent that there is no evidence of impairment of the asset transferred.

c) Goodwill

Differences between the acquisition price of financial investments in Group companies (subsidiaries), plus the value of non-controlling interests and the fair value of the assets and liabilities of these companies as of the acquisition date, when positive, are accounted for as "Goodwill" and when negative, following a confirmation of its computation, are recorded directly in the statement of profit and loss. The differences between the acquisition price of the affiliated companies and joint ventures and the fair value of the assets and liabilities of these companies as of the date of acquisition, when positive, are kept as "Equity Consolidated Investments" and, when negative, following a confirmation of its computation, are recorded directly in the statement of profit and loss.

Additionally, the differences between the acquisition cost of investments in foreign subsidiaries and the fair value of identifiable assets and liabilities of these subsidiaries as of the date of acquisition, are recorded in the reporting currency of those subsidiaries, and converted to the Group reporting currency (Euro) at the exchange rate as of the date of the statement of financial position. Differences arising from this translation are recorded under "Foreign currency translation reserve".

Future contingent payments are recognized as a liability as of the date of the business combination at its fair value, with any change in the initial amount being recorded against "Goodwill", but only during the reassessment period (12 months following the acquisition date) and if related with events prior to the acquisition date, otherwise, it must be recorded against the statement of profit and loss.

Acquisitions or disposals of stakes in already controlled entities, as long as they do not represent a loss of control, are treated as transactions between shareholders, thus only affecting the equity caption with no impact on goodwill or net results.

Whenever a disposal generates a loss in control, all assets and liabilities of the disposed entity will have to be disregarded and whatever interest recognized in the disposed company will have to be reassessed at fair value and the resulting gain or loss arising from the disposal is accounted for as net profit.

Until 1 January 2004, Goodwill was amortized during the estimated investment recovery period, being the amortizations recorded in the "Amortizations and Depreciations" caption of the statement of profit and loss. Since 1 January 2004, according to IFRS 3 – "Business Combinations", goodwill amortization was suspended, being subject to impairment tests.

On an annual basis, at the closing date, F. Ramada makes formal goodwill impairment tests. If the amount of the positive consolidation difference recorded is greater than the recoverable amount, a loss is recorded in the statement of profit and loss, in “Other operational expenses” caption. The recoverable amount is the higher between the net sales price and the value in use. Net sales price is the amount obtained with the asset disposal in a transaction at market conditions, less disposal costs. Value in use is the present value of the estimated future cash flows which are expected from the continuous use of the asset and from the disposal at the end of its life cycle. The recoverable amount is individually estimated for each asset or, if not possible, for the business unit in which the asset is included.

Impairment losses related to goodwill cannot be reversed.

d) **Translation of financial statements of foreign companies**

Assets and liabilities in the financial statements of foreign entities are translated to Euro using the exchange rates in force at the statement of financial position date. Profit and loss and cash flows are converted to Euro using the average exchange rate for the period. The resulting exchange rate difference is recorded in equity captions, under “Foreign currency translation reserve”.

Goodwill and adjustments to the fair value arising from the acquisition of foreign subsidiaries are recorded as assets and liabilities of those companies and translated to Euro at the statement of financial position date exchange rate.

Whenever a foreign company is sold, the accumulated exchange rate differences are recorded in the statement of profit and loss as a gain or loss associated with the disposal.

Exchange rates used in the translation to Euro of foreign Group companies included in the consolidated financial statements are as follows:

	GBP	
	31.12.2017	31.12.2016
Final exchange rate	1.124	1.168
Average exchange rate	1.141	1.2203

2.3 MAIN ACCOUNTING POLICIES

The main accounting policies used by F. Ramada Group in the preparation of its consolidated financial statements are as follows:

a) **Intangible assets**

Intangible assets are recorded at cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is likely that future economic benefits will flow to the Group, are controlled by the Group and if its cost can be reliably measured.

Development costs are recognized as an intangible asset if the Group has proven technical feasibility and ability to finish the development and to sell/use such assets and if it is likely that those assets will generate future economic benefits. Development costs which do not fulfil these conditions are recorded as an expense in the period in which they are incurred.

Internal costs related with the maintenance and development of software are recorded as expenses in the statement of profit and loss for the period in which they are incurred, except in situations when these costs are directly attributable to projects for which the existence of future economic benefits for the Group is likely. Being this the case, they are capitalized as intangible assets.

Amortization is calculated on a straight-line basis, as from the date the asset is available for use, over its expected useful life (usually 3 to 5 years).

b) **Property, plant and equipment**

Property, plant and equipment acquired until 1 January 2004 (IFRS transition date) and transferred following the demerger process (Introductory Note), are recorded at their respective deemed cost, which corresponds to its acquisition cost, or its acquisition cost restated in accordance with generally accepted accounting principles in Portugal until that date, net of accumulated depreciations and accumulated impairment losses.

Property, plant and equipment acquired after that date are recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciations are calculated on a decreasing basis, as from the date the asset is available for use, over the expected useful life for each group of assets.

The depreciation rates used correspond to the following estimated useful lives:

Type	Years
Buildings and other constructions	10 to 50
Plant and machinery	2 to 15
Vehicles	2 to 10
Tools	4 to 14
Office equipment	2 to 10
Other tangible assets	3 to 10

Maintenance and repair costs related to Property, plant and equipment which do not increase the useful life or do not result in significant benefits or improvements in Property, plant and equipment are recorded as expenses in the period they are incurred.

Property, plant and equipment in progress correspond to fixed assets still in construction and are stated at acquisition cost, net of impairment losses. These assets are depreciated as from the date they are concluded or ready to be used.

Gains or losses arising from the sale or disposal of Property, plant and equipment are calculated as the difference between the selling price and the asset's net book value as of the date of its sale/disposal, and are recorded in the statement of profit and loss.

c) **Lease Contracts**

Lease contracts are classified as (i) a financial lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

Property, plant and equipment acquired under financial lease contracts and the corresponding liabilities are recorded in accordance with the financial method. Under this method, the cost of the fixed assets and the corresponding liability are reflected in the statement of financial position. In addition, interests included in the lease instalments and depreciation of the fixed assets, calculated as explained in Note 2.3.b), are recorded as costs in the statement of profit and loss of the period to which they apply.

Classifying a lease as financial or as operating depends on the substance of the transaction rather than on the form of the contract.

The operating lease instalments on assets acquired under long-term rental contracts are recognized on a straight-line basis as expenses during the period of the rental contract.

d) **Government subsidies**

Government subsidies for personnel training programs or production support are recorded in the statement of profit and loss caption "Other profits" when attributed, independently of when they are received.

Non-repayable subsidies obtained to finance investments in Property, plant and equipment are recorded as "Other non-current liabilities" and "Other current liabilities" corresponding to the instalments repayable in the long and short term, respectively. These subsidies are recognized in the statement of profit and loss in accordance with the depreciation of the related Property, plant and equipment.

e) **Impairment of assets, except for goodwill**

Group's assets impairment is assessed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss under the caption "Provisions and impairment losses".

The recoverable amount is the higher of an asset's net selling price and its value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of the disposal. The value in use is the present value of the estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognized in prior years is recorded when the Group concludes that the impairment losses previously recognized for the asset no longer exist or have decreased. This analysis is made when there is evidence that the impairment loss previously recognized, no longer exists. The reversal is recorded in the statement of profit and loss as "Provisions and impairment losses". However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized for that asset in prior years.

f) **Borrowing costs**

Borrowing costs are usually recognized as expense in the statement of profit and loss for the period in which they are incurred, on an accrual basis.

When the Company becomes part of a loan agreement to specifically finance capital assets, the corresponding interests are capitalized, being part of the cost of the asset. The capitalization of these interests starts after the beginning of the preparation of the activities of construction, and ceases when the asset is ready for use or in case the project is suspended.

g) **Inventories**

Raw, subsidiary and consumable materials are stated at acquisition average cost, deducted from quantity discounts granted by suppliers, which is lower than its market value.

Finished and intermediate goods, sub-products and work in progress are stated at production cost, which includes the cost of raw materials, direct labour and production overheads, which is lower than market value.

When necessary, the Group companies record impairment losses to reduce inventories to its net realizable or market value.

h) **Provisions**

Provisions are recognized when, and only when, the Group (i) has a present obligation (legal or constructive) arising from a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at each statement of financial position date to reflect the best estimate as of that date.

Restructuring provisions are recorded by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the affected parties.

When a provision is computed taking into consideration the cash flows necessary to eliminate such obligation, it is recorded by its net present value.

i) **Financial instruments**

The Group classifies its financial instruments in the categories presented and reconciled with the consolidated statement of financial position as indicated in Note 5.

i.Investments

Investments held by the Group are divided into the following categories:

- Investments held to maturity, are non-derivative assets, with fixed or determinable payments and fixed maturity. There is a purpose and ability to maintain them until their maturity date. These investments are classified as non-current assets, unless they mature within 12 months of the balance sheet date;
- Investments measured at fair value through profit and loss are classified as current assets. The purpose of these investments is to obtain short term profits. This category is divided into two subcategories: "Financial assets held for trading" and "Investments at fair value through profit and loss." Derivatives are also classified as held for trading unless they are engaged in hedging transactions;
- Investments available for sale, includes all the other investments that were not addressed above. They are classified as non-current assets, unless the Board of Directors has the intention to sell the investment within 12 months from the balance sheet date.

Investments are initially measured at acquisition cost, which is the fair value of the price paid, including transaction costs if related with held to maturity and available for sale investments.

After initial recognition, investments available for sale and investments measured at fair value through profit and loss are subsequently measured at fair value by reference to the market value as of the statement of financial position date without any deduction for transaction costs which may be incurred until its sale. Investments in equity instruments which are not listed on a stock exchange market and whose fair value cannot be reliably measured are stated at cost net of impairment losses. Investments held to maturity are recorded at amortized cost, using the effective interest rate method.

Gains or losses arising from a change in the fair value of available for sale investments are recognized under the equity caption “Hedging reserve” included in caption “Other reserves and retained earnings”, until the investment is sold or disposed, or until it is determined to be impaired, at which time the cumulative loss previously recognized in equity is transferred to the profit and loss account for the period.

All purchases and sales of investments are recorded on its trade date, independently of the liquidation date.

ii. Accounts receivable

Receivables from third parties, that do not bear interests, are stated at their nominal value less impairment losses so that those receivables reflect their respective net realizable value.

Impairment losses are recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each Group company takes into consideration market information which shows the customer default in their responsibilities’, as well as historic information on outstanding debts not received.

Recognized impairment losses correspond to the difference between the nominal value of the receivable balance and the corresponding present value of future estimated cash-flows, discounted at the initial effective interest rate; when the payment is expected to occur within a one-year period, the rate is considered null.

iii. Loans

Loans are recorded as liabilities at their respective nominal value, net of up-front fees and commissions directly related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the statement of profit and loss on an accrual basis. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Assets and liabilities are compensated and presented by its net amount as long as there is the right for compulsory fulfilment of compensation and the Board of Directors intends to realize them on a net basis or realize the asset and simultaneously settle the liability.

iv. Trade payable and others payable

Non-interest-bearing accounts payable are stated at nominal value, which is substantially equivalent to its fair value.

v. Derivatives

The Group may use derivatives to manage its exposure to financial risks. Derivatives are only used for hedge accounting purposes and not for speculation purposes.

The criteria used by the Group to classify the derivative instruments as cash flow hedges are the following:

- At the inception of the hedge and in subsequent periods, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk;
- Hedge effectiveness can be reliably measured;
- There is adequate documentation about the transaction till the inception of the hedge;
- The transaction to be hedged is highly probable to occur.

The hedge instruments related to interest rate and exchange rate are recorded at its fair value. Changes in the fair value of these instruments are recorded under the equity caption “Other reserves and retained earnings”, and transferred to the statement of profit and loss when the operation subject to hedging affects the net result.

When derivative instruments, although specifically engaged to hedge financial risks, do not fulfil the requirements listed above to be classified and accounted for as hedge instruments, the changes in fair value are directly recorded in the profit and loss statement.

Hedge accounting of derivatives is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded and deferred in equity under the caption “Other reserves and retained earnings” are transferred to profit and loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host contract and when these are not stated at fair value with gains and losses not realizable being recorded in the profit and loss statement.

vi. Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified and accounted for based upon its contractual substance. Equity instruments are those that represent a residual interest upon the Group’s net assets and are recorded by the amount received, net of costs incurred with its issuance.

vii. Own shares

Own shares are recorded at acquisition cost as a deduction to equity captions. Gains or losses on its sale are recorded in the equity caption "Other reserves and retained earnings", thus not affecting net results.

viii. Discounted bills and trade accounts receivable transferred to factoring companies

Only when the assets´ cash flows contractual right has expired or when the risks and benefits inherent to those assets are property transferred to a third party, the Group derecognizes the financial assets of its financial statements. If the Group substantially retains the risks and benefits inherent to the property of such assets, it continues to recognize them in its financial statements, by recording in the caption "Loans" the monetary counterparty for the conceded assets.

Consequently, the customers' balances secured by non-outstanding discounted bills and accounts assigned under factoring arrangements as of the financial position date, except for the non-appealing factoring operations, are recognized in the Group's financial statements until the moment of its collection.

ix. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks on demand and term deposits and other treasury applications which reach maturity within less than three months and may be mobilized without significant risk of change in value.

For purposes of the consolidated statement of cash flows, "Cash and cash equivalents" caption also includes bank overdrafts, which are included in the balance sheet caption "Other loans".

j) Contingent assets and liabilities

Contingent assets are possible assets arising from past events and whose existence will be confirmed, or not, by uncertain future events not controlled by the Company.

Contingent assets are not recorded in the consolidated financial statements but only disclosed when the existence of future economic benefits is likely.

Contingent liabilities are defined by the Company as (i) possible obligations that arise from past events and which existence will be confirmed, or not, by one or more occurrences of uncertain future events not controlled by the Company, or (ii) present obligations that arise from past events but that are not recorded because it is unlikely that an outflow of resources occurs to settle the obligation or the obligation amount cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed, unless the probability of a cash outflow is remote, in which case no disclosure is made.

k) Corporate income tax

Income tax for the period is determined based on the taxable results of the companies included in consolidation and takes into consideration deferred taxation.

Current income tax is determined based on the taxable results of the companies included in consolidation, in accordance with the tax legislation in force at the location of the head office of each Group company, considering the annual estimated income tax rate.

Deferred taxes are computed using the balance sheet liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the corresponding amounts for tax purposes. Deferred taxes are computed using the tax rate that is expected to be in force at the time these temporary differences are reversed.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used. At the end of each period the Company reviews these deferred tax assets which are reduced whenever its realisation ceases to be likely.

Deferred tax assets and liabilities are recorded in the statement of profit and loss, except if they relate to items directly recorded in equity. In these cases, the corresponding deferred tax is recorded in equity captions.

l) **Revenue recognition and accrual basis**

Revenue arising from the sale of goods is recognized in the consolidated income statement when (i) the risks and benefits have been transferred to the buyer, (ii) the Company retains neither continued management involvement in a degree usually associated with ownership nor effective control over the goods sold, (iii) the amount of the revenue can be reasonably measured, (iv) it is likely that the economic benefits associated with the transaction will flow to the Group, and (v) the costs incurred or to be incurred related with the transaction can be reliably measured. Sales are recorded net of taxes, discounts and other expenses arising from the sale, and are measured at the fair value of the amount received or receivable.

Income related with storage systems activity is recognized under the “stage of completion method”, provided that all the following conditions are satisfied:

- the amount of revenue can be reliably measured;
- it is probable that the economic benefits will flow to the seller;
- the costs incurred, or to be incurred, in respect of the transaction can be reliably measured;
- the stage of completion at the balance sheet date can be reliably measured.

Dividends are recognized as income in the period its distribution is approved.

All other income and expenses are recognized in the period to which they relate, independently of when the amounts are received or paid. Differences between the amounts received and paid and the corresponding income and expenses are recorded in the captions “Other current assets” and “Other current liabilities”.

When the actual amount of income or expenses is yet unknown, these are recorded based on the best estimate of the Board of Directors of the Group companies.

m) **Investment properties**

Investment properties represent assets held to earn rentals or for capital appreciation, and are measured at acquisition cost, including transaction costs. Investment properties held as of 31 December 2017 and 2016 represent land held to earn rentals and not held for administrative purposes or for disposal under the current business activity of the Group.

n) **Non-current assets held for sale**

Non-current assets are classified as held for sale if the corresponding book value is recoverable through sale rather than through continued use. For this to be the case the sale must be highly probable and the asset must be available for immediate sale in its present condition. In addition, adequate measures must be in course by the Board of Directors to conclude that the sale is expected to occur within 12 months of the date of classification in this caption.

Non-current assets classified as held for sale are stated at the lower of its book value and fair value less selling costs

There were no assets for sale at 31 December 2017 and 2016.

o) Balances and transactions expressed in foreign currencies

All assets and liabilities expressed in foreign currencies were translated to Euro using the exchange rates in force as of the balance sheet date.

Favourable and unfavourable exchange differences arising from changes in the exchange rates between those prevailing on the dates of the transactions and those in force on the payment dates, collection or as of the balance sheet date are recorded in the consolidated statement of profit and loss, except the ones related to non-monetary values which fair value variation is directly recorded in equity.

p) Subsequent events

Post balance sheet date events which provide additional information about conditions that existed at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post balance sheet date events that provide information about conditions that have only arisen after the balance sheet date are considered non-adjusting events and are disclosed in the notes to the financial statements, if material.

q) Segment information

In each period, the Group identifies the most adequate segment division taking into consideration the business areas in which the Group is present.

Information regarding the business segments identified is included in Note 32.

r) Cash flows statement

Consolidated cash flows statement is prepared, using the direct method, in accordance with IAS 7. The Group classifies as "Cash and cash equivalents" applications which mature in less than three months and which are subject to insignificant risk of change in value.

Consolidated cash flow statement is classified as operating, investing and financing activities. Operating activities include cash receipts from customers, cash payments to suppliers, cash payments to and on behalf of employees and other operating activities payments and receipts. Investing activities cash flows include, essentially, acquisitions and sales of investments in subsidiaries and payments and receipts related with acquisitions and sales of Property, plant and equipment.

Financing activities cash flows include, essentially, payments and receipts of loans and borrowings, financial lease contracts and dividend payments.

s) Judgements and estimates

In the process of preparation of the Group's financial statements, the Board of Directors used its best knowledge and accumulated experience in past and current events considering certain assumptions relating to future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended as of 31 December 2017 and 2016 correspond to the recognition of provisions and impairment losses.

Estimates used are based on the best available information during the preparation of consolidated financial statements. Although future events are neither controlled by the Group nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements will be recognized in net income, in accordance with IAS 8, using a prospective methodology.

For this reason, and given the degree of uncertainty, actual results of the transactions in question may differ from the corresponding estimates.

t) **Employee benefits**

SOCITREL has a defined benefit plan for its employees, in which it grants retirement and disability supplement benefits. The plan is being managed by an external entity, and in the past SOCITREL has made contributions to the plan to guarantee coverage of these liabilities.

During the year ended 31 December 2016, SOCITREL began a process to change its pension system, moving from the current defined benefit system to a defined contribution plan, which was approved by the Insurance Supervisory Authority and Pension Funds at the end of 2017 and will enter into force with effect from 1 January 2018. SOCITREL's liability for defined benefit plans is estimated annually at the closing date of accounts by the entity responsible for the management of the fund. The actuarial calculation is based on estimates and assumptions that comply with the criteria defined by IAS 19 and the Insurance and Pensions Supervision Authority (ASF). The fund is currently having a surplus.

2.4 FINANCIAL RISK MANAGEMENT

F. Ramada Group is essentially exposed to a) market risk; b) interest rate risk, c) exchange rate risk, d) variability in commodities' price risk, e) credit risk and f) liquidity risk. The main objective of the Board of Directors, concerning risk management, is to reduce these risks to a level considered acceptable for the development of the Group's activities.

The guidelines of the risk management policy are defined by F. Ramada's Board of Directors, which determines the acceptable risk limits. The operational concretization of the risk management policy is made by the Board of Directors and by the management of each participated company.

The main risks F. Ramada Group is exposed to are as follows:

a) **Market risk**

At this level of risk, relevance is given to interest rate risk, exchange rate risk and variability of the commodities' price risk.

b) **Interest rate risk**

The interest rate risk mainly arises from the Group's indebtedness indexed to variable rates (mostly Euribor), thus leading the cost of debt to be quite volatile.

The Board of Directors approves the terms and conditions of the relevant funding to the Company, analysing the structure of such debt, the inherent risks and the different options available in the market, particularly regarding the type of interest rate (fixed / variable).

Sensitivity analysis of interest rate fluctuations

The sensitivity analysis presented below was computed based on the exposure to interest rates in force as of the statement of financial position date. It was considered, as a basic assumption, that the financial structure (interest bearing assets and liabilities) remains stable throughout the year and similar to the one existing as of 31 December 2017.

Therefore, during the years ended as of 31 December 2017 and 2016, the Group's sensitivity to changes in the interest rate indexing resulting from an increase / decrease by 100 basis points, measured as the change in financial results, can be analysed as follows:

	31.12.2017	**31.12.2016**
Interests (Note 29)	1,376,720	1,479,259
Positive change of 100 basis points in interest rate on the entire indebtedness	79,000	730,000
Negative change of 100 basis points in interest rate on the entire indebtedness	79,000	(730,000)

c) **Exchange rate risk**

The Group's exposure to exchange rate risk arises, essentially, from inventory acquisition to non-resident entities in currencies other than Euro. Given the fact that the supplier's payment period is reduced, the exposure to the exchange rate risk under this factor is also reduced. However, in the event of transactions with non-resident entities and settled in a currency other than Euro where the variation of exchange rate may have a significant impact on its performance, the Group aims to hedge its position by entering into financial derivative contracts whenever applicable and considered necessary to reduce the volatility of its results.

Additionally, the Group also holds a financial investment in the subsidiary Storax, Ltd. (Note 4.1), whose functional currency is the Sterling Pound.

The assets and liabilities denominated in Sterling Pound are as follows, in Euro:

	31.12.2017	31.12.2016
Assets	6,958,504	8,767,861
Liabilities	(2,048,803)	(3,755,760)
	4,909,701	5,012,101

d) **Variability risk on commodities' prices**

By developing its activity in an industry which trades commodities (namely, steel), the Group is particularly exposed to its price fluctuations, with the corresponding impacts in its results. However, in order to manage this risk, the Group may engage in derivative financial instruments contracts. On the other hand, in a commercial point of view, steel price variations are usually passed to Group customers.

e) **Credit Risk**

The Group's exposure to credit risk is mainly related with trade accounts receivable arising from its operating activities. The credit risk relates to the risk of the counterparty not fulfilling its contractual obligations, resulting in a loss for the Group.

The evaluation of credit risk is made on a regular basis, taking into consideration the current conditions of economic environment and the specific situation of credit rating of each debtor, adopting corrective measures whenever necessary.

The Group's credit risk is not concentrated in any particular customer or group of customers with similar characteristics; with trade accounts receivable being distributed over a high number of customers, different areas of business and geographic areas.

The impairment adjustments to trade accounts receivable are calculated taking into consideration (i) the customer's risk profile, (ii) the average collection period, and (iii) the customer's financial condition. The adjustments movement occurred for the year ended as of 31 December 2017 are disclosed in Note 23.

The Group has a conservative policy to calculate the adjustments on trade accounts receivable.

f) Liquidity risk

The aim of liquidity risk management is to ensure that the Group can meet its responsibilities and pursue the defined strategic goals, complying with all the commitments set with third parties within the established deadlines.

The Group defines as active policy (i) to keep an adequate level of immediately available resources to face the necessary payments in its due date, (ii) reduce the probability of default in the reimbursement of loans, negotiating the amplitude of its contractual clauses and (iii) minimize the cost of opportunity of excessive short-term liquidity.

The Group aims to make compatible the due dates of assets and liabilities through an active management of its maturities.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the year, there were no changes in accounting policies and no material mistakes related with previous periods were identified.

(Amounts stated in Euros)

4. SUBSIDIARY COMPANIES INCLUDED IN THE CONCOLIDATED FINANCIAL STATEMENTS, INVESTMENT IN AN ASSOCIATE, JOINT VENTURES AND INVESTMENTS HELD FOR SALE

4.1. Companies included in the consolidated financial statements

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage of participation held and main activity as of 31 December 2017 and 2016, are as follows:

Designation	Headquarters	Percentage of participation held 31.12.2017	31.12.2016	Activity
Parent company:				
F. Ramada Investimentos, SGPS, S.A.	Porto	-	-	Holding
F.Ramada Group				
Ramada Aços, S.A.	Ovar	100%	100%	Steel comercialization
Planfuro Global, S.A.	Leiria	100%	100%	Manufacture of metal molds
Universal Afir, S.A.	Ovar	100%	100%	Steel comercialization
Ramada Storax, S.A.	Ovar	100%	100%	Production and commercialization of storage systems
F. Ramada II, Imobiliária, S.A.	Ovar	100%	100%	Real Estate
Storax, S.A.	France	100%	100%	Commercialization of storage system
Storax, Ltd.	United Kingdom	100%	100%	Commercialization of storage system
Storax Benelux, S.A.	Belgium	100%	100%	Commercialization of storage system
Storax España S.L.	Spain	100%	60%	Commercialization of storage system
Socitrel - Sociedade Industrial de Trefilaria, S.A.[1]	Portugal	99%	-	Manufacture and commercialization of steel molds and welded mesh
Socitrel España, S.A.[1]	Spain	99%	-	Manufacture and commercialization of steel molds and welded mesh
Expeliarmus - Consultoria, S.A.[1]	Portugal	99%	-	Holding

These subsidiaries have been included in F.Ramada Group consolidation by the full consolidation method, as referred in Note 2.2a)

[1] Changes in consolidation perimeter

In 2017 the Group acquired an additional stake of 49.004% in Expeliarmus – Consultoria, S.A, whose main asset is the 100% holding in SOCITREL (which, in turn, holds 100% of Socitrel España) for 150,000 Euros, taking full control of its activity at the end of 2017. Although the purchase agreement was concluded at the end of September 2017, that acquisition was conditional on obtaining the non-opposition approval by the (Autoridade da Concorrência) Competition Authority, which only occurred in December 2017. Accordingly, these consolidated financial statements only include the statement of financial position of the three entities acquired as of 31 December 2017, and not the respective profit and loss accounts for the period then ended.

(Amounts stated in Euros)

The effects of this operation in the consolidated financial statements can be detailed as follows:

	Financial Position Fair Value
Tangible fixed assets	10,103,787
Other financial assets	1,045
Deferred tax assets	148,411
Other non-current assets	1,439,631
Inventories	6,993,917
Accounts receivable	6,178,817
State and other public entities	2,169,499
Other debtors	7,945,738
Other current assets	242,763
Cash and cash equivalents	2,354,428
Total assets	**37,578,036**
Other loans	21,493,262
Provisions	200,000
Deferred tax liabilities	908,284
Accounts payable	12,674,350
State and other public entities	143,712
Other creditors	676,427
Other current liabilities	993,470
Total liabiilities	**37,089,505**
Total net assets	**488,531**
Financial investments as the moment of control acquisition	59,998
Consideration	
Payments	150,000
Debt	-
	209,998
Goodwill	**(278,533)**

Following this acquisition, and in accordance with IFRS 3 - Business Combinations, an assessment was made of the fair value of assets acquired and liabilities assumed. Fair value was determined through several valuation methodologies for each type of asset or liability, based on the best available information. The main adjustments resulting from this analysis are detailed as follows:

a) Considering the option to purchase part of the financing contracted by the investee for less than its nominal value, it has a fair value of approximately less 14.6 million euros;
b) Landholdings held by the subsidiary were evaluated by an independent entity, and the fair value of these assets was higher than the book value by approximately 4 million euros.

This transaction led to the recognition of a negative consolidation difference of 278,533 euros.
.
The goodwill recorded in assets as of 31 December 2017 and 2016 refers to the subsidiary Planfuro Global, S.A., and was generated in the year ended as 31 December 2016.

(Amounts stated in Euros)

To assess if there were any impairment losses at the year ended as 31 December 2017, the Group compared the net assets generated annually by the subsidiary, as well as market multiples, with a corresponding contribution to the financial statements consolidated including goodwill, and concluded that there was no impairment.

4.2. Investment in an associate and joint ventures

At the 31 December 2016, the caption "Investments in associates" included the Group's interest in the capital of the company Base Holding, SGPS, SA, a company headquartered in Porto, which is head of a group of companies active in the health area , in particular with regard to the complementary means of diagnosis and treatment (MCDTs) and also the participation in the company Expeliarmus - Consultoria, SA (company fully consolidated at 31 December 2017, note 4.1) in the amount of 59,998 Euros.

On the 19 July 2017, an agreement was celebrated between F. Ramada - Investimentos, SGPS, SA, jointly with the other shareholders, and Laboratório Médico - Doutor Carlos da Silva Torres, SA for the sale of all its shares. Subsidiary Holding, SGPS, SA The transaction took place on the 19 September 2017 after the decision to not oppose the transaction by the Competition Authority was taken, as notified to the Portuguese Securities Markets Commission. The impact of this operation on the consolidated income statement at the 31 December 2017 amounted to 42,248,672 Euros.

4.3. Other Investments

As of the 31 December 2017 and 2016 the caption “Other investments” and respective impairment losses can be detailed as follows:

	31.12.2017	31.12.2016
Gross amount	3,910,822	7,713,531
Impairment losses (Note 23)	(3,902,330)	(4,220,393)
	8,492	3,493,138

The alienation of Base Holding, SGPS, S.A. also implied the alienation of Base M - Investimentos e Serviços, S.A., as well as the credits held on this subsidiary, recorded under "Other investments".

At the 31 December 2017 and 2016, these investments correspond to investments in non-public companies in which the Group has no significant influence. As such, their acquisition cost corresponds to a reliable approximation to their fair value, adjusted by the impairment costs.

At the 31 December 2017, the caption includes investments on the capital of companies, CEV – Consumo em Verde, Biotecnologia das Plantas, SA and Sociedade Converde Unipessoal, Lda.

The assessment on the existence, or not, of impairments on the investments in joint ventures and associated companies is based on their financial indicators, on the operating results and on the capacity to distribute dividends.

4.4. Payments from financial investments

At the 31 December 2017 and 2016 the payments related to financial investments are as follows:

(Amounts stated in Euros)

	31.12.2017	31.12.2016
Investments in associated companies (Note 4.1)	772,198	743,668
Joint Ventures	-	800,000
Other investments (Note 4.3)	583,787	210,000
	1,355,985	1,753,668

At the 31 December 2017, receipts related to financial investments refer to the sale of Base Holding and Base M.

5. *FINANCIAL INSTRUMENTS*

The financial instruments, in accordance with the policies described in Note 2.3.i), were classified as follows:

5.1 Financial assets

31 December 2017	Note	Receivables, Cash and cash equivalents	Investments avalable for sale	**Sub-total**	Assets out of scope of IFRS7	**Total**
Non-current assets						
Other investments	4.3	8,492	-	8,492	-	8,492
		8,492	-	8,492	-	8,492
Current assets						
Trade receivable	11	54,403,293	-	54,403,293	-	54,403,293
Other accounts receivables	13	1,839,295	-	1,839,295	22,933	1,862,228
Other current assets	14	5,109,709	-	5,109,709	516,974	5,626,683
Cash and cash equivalents	15	105,099,639	-	105,099,639	-	105,099,639
		166,451,936	-	166,451,936	539,907	166,991,843
		166,460,428	-	166,460,428	539,907	167,000,335

31 December 2016	Note	Loans and accounts receivable	Investments avalable for sale	**Sub-total**	Assets out of scope of IFRS7	**Total**
Non-current assets						
Other investments	4.3	3,493,138		3,493,138	-	3,493,138
		3,493,138	-	3,493,138	-	3,493,138
Current assets						
Trade receivable	11	49,931,173	-	49,931,173	-	49,931,173
Other accounts receivables	13	722,675	-	722,675	1,562,037	2,284,712
Other current assets	14	2,095,471	-	2,095,471	270,374	2,365,845
Cash and cash equivalents	15	17,220,214	-	17,220,214	-	17,220,214
		69,969,533	-	69,969,533	1,832,411	71,801,944
		73,462,671	-	73,462,671	1,832,411	75,295,082

(Amounts stated in Euros)

5.2 Financial liabilities

31 December 2017	Note	Derivatives	Short-term liabilities	Sub-total	Liabilities out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	18	-	57,455,951	57,455,951	-	57,455,951
Other accounts payable	18	-	6,874,761	6,874,761	-	6,874,761
		-	64,330,712	64,330,712	-	64,330,712
Current liabilities						
Bank loans	18	-	7,511,465	7,511,465	-	7,511,465
Other loans	18	-	41,128,981	41,128,981	-	41,128,981
Trade payable	20	-	26,429,496	26,429,496	-	26,429,496
Other accounts payable	21	-	2,659,299	2,659,299	209,388	2,868,687
Other current liabilities	22	-	7,884,257	7,884,257	6,891,946	14,776,203
		-	85,613,498	85,613,498	7,101,334	92,714,832
		-	149,944,210	149,944,210	7,101,334	157,045,544

31 December 2016	Note	Derivatives	Short-term liabilities	Sub-total	Liabilities out of scope of IFRS 7	Total
Non-current liabilities						
Bank loans	18	-	43,473,155	43,473,155	-	43,473,155
Other accounts payable	18	-	5,000,000	5,000,000	-	5,000,000
		-	48,473,155	48,473,155	-	48,473,155
Current liabilities						
Bank loans	18	-	3,985,753	3,985,753	-	3,985,753
Other loans	18	-	37,734,033	37,734,033	-	37,734,033
Trade payable	20	-	18,133,024	18,133,024	-	18,133,024
Other accounts payable	21	-	5,931,575	5,931,575	16,681	5,948,256
Other current liabilities	22	-	7,331,578	7,331,578	8,317,187	15,648,765
		-	73,115,963	73,115,963	8,333,868	81,449,831
		-	121,589,118	121,589,118	8,333,868	129,922,986

6. *INVESTMENT PROPERTIES*

The investment properties held by F. Ramada Group correspond essentially to leased land to a related party (Note 30) under operating leases, through contracts celebrated in 2007 and 2008 with an average duration of 20 years (existing the possibility of extending the period between four to six years, according to the contracts, if the lessee needs this period to complete the established number of wood cuts. Investment properties are measured at acquisition cost.

(Amounts stated in Euros)

The movement occurred in this caption during the years ended in the 31 December 2017 and 2016 is as follows:

	31.12.2017	31.12.2016
Opening balance	85,953,689	85,963,976
Aquisitions	68,250	68,040
Disposals	-	(78,327)
Gross amount	86,021,939	85,953,689
Impairment losses (Note 23)	(1,100,000)	(1,100,000)
Closing balance	84,921,939	84,853,689

The rented land generated, during the year ended at the 31 December 2017, income amounting, to approximately, 6,331,825 Euro (approximately 6,311,140 Euro in 2016).

The minimum cash flows relating to land leases amount to, approximately, 6.4 million Euro, in each one of the next 5 years. After this period and until the end of the contracts, the minimum cash flows amount to, approximately, 43 million Euro. The rents established in each lease contract are updated at the end of a two years' period, counted from the beginning of the subsequent year of the contract signature, taking into consideration the price index on consumption.

Given the land characteristics (land leased to third parties for forestry activity), frequent market transactions comparable for this type of assets do not occur. Accordingly, the Board of Directors considers that it is not possible to reliably estimate the fair value of the land, and, as such, it is recorded at acquisition cost. However, it is the Board of Directors belief that, given the amount of rents collected annually, these assets do not present impairment indications.

Part of the land (amounting to, approximately, 74 million Euros) is given as collateral for certain borrowings (Note 18).

(Amounts stated in Euros)

7. PROPERTY, PLANT AND EQUIPMENT

During the years ended at the of 31 December 2017 and 2016 the movement occurred in Property, plant and equipment and the corresponding accumulated depreciation and impairment losses were as follows:

2017

Gross assets	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	1,217,756	13,329,969	37,053,837	2,320,193	1,001,397	4,044,879	11,544	322,395	59,301,970
Variations in consolidation perimeter (Note 4.1)	4,620,000	5,225,038	9,735,766	1,987,575	829,534	1,614,685	-	83,367	24,095,965
Exchange rate variation	-	(20,922)	(43,552)	(57)	-	(11,676)	-	-	(76,207)
Additions	-	549,249	5,061,437	390,890	54,347	82,540	-	1,062,926	7,201,390
Disposals	-	-	(1,981,697)	(34,300)	-	(13,045)	-	-	(2,029,042)
Transfers and write-offs	-	22,463	247,012	49,168	-	(13,494)	-	(322,431)	(17,284)
Closing balance	5,837,756	19,105,796	50,072,803	4,713,468	1,885,278	5,703,889	11,544	1,146,257	88,476,792

Accumulated depreciations and impairment losses	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	-	12,087,691	28,841,051	1,902,874	962,051	3,671,926	11,304	-	47,476,897
Variations in consolidation perimeter (Note 4.1)		2,780,009	7,437,431	1,496,725	748,759	1,529,254	-	-	13,992,178
Exchange rate variation	-	(7,972)	(33,548)	(26)	-	1,079	-	-	(40,466)
Additions	-	271,307	5,118,073	228,116	46,284	148,243	237	-	5,812,260
Disposals	-	-	(1,506,478)	(30,845)	-	(13,080)	-	-	(1,550,404)
Transfers and write-offs	-	4,711	(20,390)	3,327	-	(1,469)	-	-	(13,821)
Closing balance	-	15,135,747	39,836,138	3,600,171	1,757,094	5,335,954	11,541	-	65,676,645
	5,837,756	3,970,049	10,236,665	1,113,297	128,184	367,935	3	1,146,257	22,800,147

2016

Gross assets	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	1.217.756	13.346.609	28.090.179	1.985.783	970.631	3.752.591	11.544	429.955	49.805.048
Variations in consolidation perimeter (Note 4.1)	-	3.074	1.088.345	25.072	-	103.111			1.219.602
Exchange rate variation	-	(19.714)	(26.715)	-	-	(25.293)	-	-	(71.722)
Additions	-	-	3.803.663	105.495	24.446	222.610	-	4.948.276	9.104.490
Disposals	-	-	(556.037)	(109.970)	-	-	-	-	(666.007)
Transfers and write-offs	-	-	4.654.402	313.813	6.320	(8.140)	-	(5.055.836)	(89.441)
Closing balance	1.217.756	13.329.969	37.053.837	2.320.193	1.001.397	4.044.879	11.544	322.395	59.301.970

Accumulated depreciations and impairment losses	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Tools	Office equipment	Other tangible assets	Tangible assets in progress	Total
Opening balance	-	11.829.815	24.960.554	1.850.510	923.706	3.549.813	10.988	-	43.125.386
Variations in consolidation perimeter (Note 4.1)	-	307	382.329	12.892	-	35.923	-	-	431.451
Exchange rate variation	-	(12.015)	(25.526)	(30)	-	(21.293)	-	-	(58.864)
Additions	-	269.584	4.060.386	149.472	38.345	128.593	316	-	4.646.696
Disposals	-	-	(536.692)	(109.970)	-	-	-	-	(646.662)
Transfers and write-offs	-	-	-	-	-	(21.110)	-	-	(21.110)
Closing balance	-	12.087.691	28.841.051	1.902.874	962.051	3.671.926	11.304	-	47.476.897
	1.217.756	1.242.278	8.212.786	417.319	39.346	372.953	240	322.395	11.825.073

The additions in 2017 are related to the acquisition of industrial equipment in order to increase the Group's productive capacity, namely, in steel treatment.

At the 31 December 2017 and 2016 there were no interests capitalized to fixed assets. At the 31 December 2017, the properties of the subsidiary Socitrel were provided as collateral for loans contracted.

(Amounts stated in Euros)

8. INTANGIBLE ASSETS

During the years ended in the 31 December 2017 and 2016, the movement occurred in intangible assets and the corresponding accumulated depreciation and impairment losses were as follows:

	2017		
	Gross assets		
	Software	Projects in development	Total
Opening balance	1,061,319	-	1,061,319
Exchange rate variation	(11,230)	-	(11,230)
Additions	55,849	109,917	165,766
Disposals and write-offs	(8,043)	-	(8,043)
Closing balance	1,097,895	109,917	1,207,812

	Accumulated depreciations and impairment losses		
	Software	Projects in development	Total
Opening balance	1,031,950	-	1,031,950
Exchange rate variation	(3,560)	-	(3,560)
Additions	22,965	36,639	59,604
Disposals and write-offs	3,666	-	3,666
Closing balance	1,055,021	36,639	1,091,660
	42,874	73,278	116,152

	2016		
	Gross assets		
	Software	Projects in development	Total
Opening balance	828,668	-	828,668
Exchange rate variation	(9,980)	-	(9,980)
Additions	18,814	-	18,814
Disposals and write-offs	(8,013)	-	(8,013)
Closing balance	829,489	-	829,489

	Accumulated depreciations and impairment losses		
	Software	Projects in development	Total
Opening balance	751,949	-	751,949
Exchange rate variation	(8,766)	-	(8,766)
Additions	72,368	-	72,368
Disposals and write-offs	(8,011)	-	(8,011)
Closing balance	807,540	-	807,540
	21,949	-	21,949

(Amounts stated in Euros)

9. CURRENT AND DEFERRED INCOME TAXES

In accordance with current legislation, the tax returns are subject to review and correction by the tax authorities over a period of four years (five years for Social Security), except when tax losses have occurred, tax benefits have been conceded, or inspections, complaints or disputes are on-going. In these cases, depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of F. Ramada and its subsidiaries for the years 2014 to 2017 may still be subject to review.

The Board of Directors of F. Ramada believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of the 31 December 2017 and 2016.

F. Ramada Investimentos, SGPS, S.A. is the dominant company of a group of companies based in Portugal (F. Ramada Group) which is taxed under the special regime for taxation of groups of companies ("RETGS – Regime Especial de Tributação de Grupos de Sociedades”).

9.1 Deferred taxes

The movement occurred in deferred tax assets and liabilities in the years ended at the 31 December 2017 and 2016 was as follows:

	2017	
	Deferred tax assets	Deferred tax liabilities
Balance as of 1 January	3,673,642	31,125
Perimeter variation (Note 4.1)	148,411	908,284
Effects on the income statemtent	730,230	16,584
Balance as of 31 December	4,552,283	955,993

	2016	
	Deferred tax assets	Deferred tax liabilities
Balance as of 1 January	1,778,714	35,081
Perimeter variation (Note 4.1)	-	-
Effects on the income statemtent	1,894,928	(3,956)
Balance as of 31 December	3,673,642	31,125

The detail of the deferred taxes at the 31 December 2017 and 2016, in accordance with the nature of the timing differences that generated them, is the following:

	2017		2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provisions and impairment losses not accepted for tax purposes	2,364,176	24,340	2,170,381	-
Extraordinary revaluation of fixed assets	1,703,696	-	1,503,261	-
Reinvested capital gains	-	7,998	-	15,086
Amortizations not accpeted for tax purposes	-	15,371	-	16,039
Tax benefits	336,000	-	-	-
Fair value adjustments in business activities	148,411	908,284	-	-
	4,552,283	955,993	3,673,642	31,125

(Amounts stated in Euros)

As at the 31 December 2017, the caption "Extraordinary Revaluation of Fixed Assets" includes the impact of the adoption of Law number 66/2016, from 3rd November. This law defines the new fixed assets revaluation regime.

9.2 Current Corporate Income Tax and deferred tax

Income taxes recorded in the income statements during the years ended at the 31 December 2017 and 2016 are detailed as follows:

	31.12.2017	31.12.2016
Corporate income tax:		
Corporate income tax for the year	3,782,033	3,787,691
Special autonomous tax	-	935,363
	3,782,033	4,723,054
Deferred tax	(713,646)	(1,898,884)
	3,068,387	2,824,170

At the 31 December 2016, the special autonomous taxation, correspond to an autonomous taxation regarding the adoption of the fixed assets revaluation regime published by Law number 66/2016, from 3rd November. This amount will be paid in equal parts in 2017, 2018 and 2019.

The reconciliation of profit before income tax and the income tax for the year is as follows:

	31.12.2017	31.12.2016
Earnings before tax	59,776,574	16,751,746
Income tax rate	21%	21%
	12,553,081	3,517,867
Municipal surcharge	134,086	100,272
State surcharge	244,730	207,524
Autonomous tax	152,481	175,488
Fiscal benefits	(114,324)	(15,672)
Share of results of joint ventures and associated companies	(8,930,713)	(425,892)
Special autonomous taxation	-	935,363
Fixed assets extraordinary revaluation (Note 9.1)	(200,435)	(1,503,261)
Other effetcs	(770,519)	(167,519)
Corporate income tax	3,068,387	2,824,170

(Amounts stated in Euros)

10. INVENTORIES

At the 31 December 2017 and 2016 the caption "Inventories" was as it follows:

	31.12.2017	31.12.2016
Goods	13,103,122	14,814,593
Raw, subsidiary and consumable materials	11,143,567	4,112,259
Semi-finished, finished products and work in progress	6,164,392	2,612,949
Work in progress	-	1,386,728
	30,411,081	22,926,529
Accumulated impairment losses (Note 23)	(1,539,113)	(1,428,048)
	28,871,968	21,498,481

These values are the best estimate done by the Board of Directors to reach the market price or the net realizable value of the Company's inventories.

The cost of sales and the variation in production for the years ended at the 31 December 2017 and 2016 amounted to 83,673,106 Euros and 72,265,408 Euros, respectively, and was as follows:

31 December 2017	Raw, subsidiary and consumable materials	Semi-finished, finished products and work in progress	Total
Opening balance	18,926,852	3,999,677	22,926,529
Exchange rate variation (Note 2.2.d)	431	605,383	605,814
Variations in consolidation perimeter (Note 4.1)	4,799,765	2,302,970	7,102,735
Purchases and regularizations	83,449,109	-	83,449,109
Closing balance	(24,246,689)	(6,164,392)	(30,411,081)
Cost of sales and production variation	82,929,468	743,638	83,673,106

31 December 2016	Raw, subsidiary and consumable materials	Semi-finished, finished products and work in progress	Total
Opening balance	15,654,296	5,133,622	20,787,918
Exchange rate variation (Note 2.2.d)	(26,234)	(126,861)	(153,095)
Variations in consolidation perimeter (Note 4.1)	77,097	-	77,097
Purchases and regularizations	74,480,017	-	74,480,017
Closing balance	(18,926,852)	(3,999,677)	(22,926,529)
Cost of sales and production variation	71,258,324	1,007,084	72,265,408

11. TRADE RECEIVABLE

At the 31 December 2017 and 2016 the caption "Trade receivable" can be detailed as follows:

	31.12.2017	31.12.2016
Accounts receivable - gross amount	66,369,878	64,187,330
Impairment loss (Note 23)	(11,966,585)	(14,256,157)
Net balance	54,403,293	49,931,173

(Amounts stated in Euros)

At the 31 December 2017 and 2016, the trade receivable ageing balances can be detailed as follows:

	31 December 2017					
	Gross Value			Net Value		
	Industry	Real Estate	Total	Industry	Real Estate	Total
Not due	24,682,022	6,752,494	31,434,516	24,682,022	6,752,494	31,434,516
Due						
0 - 180 days	25,786,264	-	25,786,264	21,307,439	-	21,307,439
+ 180 days	9,149,098	-	9,149,098	1,661,338	-	1,661,338
	59,617,384	6,752,494	66,369,878	47,650,799	6,752,494	54,403,293

	31 December 2016					
	Gross Value			Net Value		
	Industry	Real Estate	Total	Industry	Real Estate	Total
Not due	32,018,629	6,311,061	38,329,690	31,790,951	6,311,061	38,102,012
Due						
0 - 180 days	16,094,584	-	16,094,584	11,506,330	-	11,506,330
+ 180 days	9,763,056	-	9,763,056	322,831	-	322,831
	57,876,269	6,311,061	64,187,330	43,620,112	6,311,061	49,931,173

The Group's exposure to credit risk is related to the receivables from its operating activity. The amounts in the consolidated financial position statement are deducted from impairment losses. The impairment of trade accounts receivable was determined following a review of the recoverable amount of assets with respect to receivables that the Board of Directors considered to be in risk of partial or full failure, with the support of legal advisors, taking into consideration the economic situation. The Board of Directors believes that the receivables accounting value is like their fair value. The past years' conservative approach in relation to impairment losses on trade accounts receivable has been maintained.

Regarding the overdue amounts for which there is no impairment loss, the Group considers that there has been no loss in the credit capacity of the counterparty and therefore there is no credit risk in such situations.

The Group does not charge any interests as long as the defined payment terms (in average 90 days) are respected. After that period, interests defined contractually are charged, and in accordance with the applicable legislation; usually such situations only occur under extreme conditions. On a conservative basis, interests charged are accrued and only recognized in the profit and loss statement in the period they are received.

(Amounts stated in Euros)

12. STATE AND OTHER PUBLIC ENTITIES

At the 31 December 2017 and 2016 the assets and liabilities included in the caption “State and other public entities” had the following composition:

	31.12.2017	31.12.2016
Assets		
Value added tax	2,958,009	412,889
Other taxes	212,034	135,256
	3,170,043	548,145
Liabilities		
Non-current liabilities		
Special autonomous tax (Note 9.2)	-	311,787
	-	311,787
Current liabilities		
Value added tax	3,325,000	1,917,189
Social Security contributions	762,882	491,002
Personal income tax	599,850	389,409
Corporate income tax	1,205,259	1,207,524
Special autonomous tax (Note 9.2)	311,787	311,787
Other taxes	407,464	226,536
	6,612,242	4,543,447
	6,612,242	4,855,234

13. OTHER ACCOUNTS RECEIVABLE

At the 31 December 2017 and 2016 the caption “Other accounts receivable” had the following composition:

	31.12.2017	31.12.2016
Advances to suppliers	22,933	1,562,037
Other debtors	1,839,295	722,675
	1,862,228	2,284,712
Impairmnet losses	-	-
	1,862,228	2,284,712

The caption “Other debtors” includes VAT receivables on goods’ imports. At the 31 December 2016, the caption “Advances to suppliers” includes amounts resulting from steel imports from European Union companies.

(Amounts stated in Euros)

14. OTHER CURRENT ASSETS

At the 31 December 2017 and 2016 the caption "Other current assets" had the following composition:

	31.12.2017	31.12.2016
Guarantee for construction works in progress	-	1,167,979
Acrued revenue from construction works in progress	5,109,709	927,492
Other current assets	516,974	270,374
	5,626,683	2,365,845

At the 31 December 2016 the caption "Guarantee for construction works in progress" relates to a granted security deposit relating to a construction in progress through the Group's subsidiary Storax UK.

15. CASH AND CASH EQUIVALENTS

At the 31 December 2017 and 2016 the caption "Cash and cash equivalents" included in the consolidated statement of financial position can be detailed as follows:

	31.12.2017	31.12.2016
Cash	17,594	14,730
Bank Deposits	105,082,045	17,205,484
	105,099,639	17,220,214
Bank overdrafts (Note 18)	(7,681,255)	(7,183,087)
Cash equivalents	97,418,384	10,037,127

16. ISSUED CAPITAL AND RESERVES

16.1 ISSUED CAPITAL

At the 31 December 2017, F. Ramada's fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each.

16.2 RESERVES

(I) Legal reserve

The Portuguese commercial legislation stablishes that at least 5% of the annual net profit must be used to reinforce the "Legal reserve" until this caption represents at least 20% of the Issued capital. This reserve is not distributable but can be used to absorb losses after every other reserve has been used, and for inclusion in the Issued capital.

(II) Other reserves and retained earnings

At the General Shareholders' Meeting held on 26 April 2017, the amount of 6,461,648 Euros was attributed to shareholders as dividends.

(Amounts stated in Euros)

At the General Shareholders' Meeting held on 21 April 2016, the amount of 4,846,236 Euros was attributed to shareholders as dividends.

At 31 December 2016, the Company held 2,564,145 own shares. During 2017, the Company sold all its own shares in the portfolio, resulting in a gain recorded directly in the "Other reserves and retained earnings" caption in the amount of 16,384,887 Euros.

(III) Currency translation reserves

Currency translation reserves reflect the exchange rate differences originated by the translation of financial statements of foreign companies and cannot be distributed or used to absorb losses.

According to the Portuguese legislation, the amount of distributable reserves is determined based on the non-consolidated financial statements of the Company.

17. NON-CONTROLLING INTERESTS

The movement occurred in this caption during 2017 and 2016 was as follows:

	31.12.2017	31.12.2016
Opening balance	142,364	75,740
Variations in scope of consolidation	(142,364)	-
Perimeter variation	4,923	-
Dividends allocated to minority interests	-	66,624
Closing balance	4,923	142,364

At the 31 December 2017, the non-controlling interests are related to the subsidiaries Expeliarmus, Socitrel and Socitrel España, which are 99% owned by the Group (Note 4).

(Amounts stated in Euros)

18. BANK LOANS AND OTHER LOANS

At the 31 December 2017 and 2016 the captions “Banks Loans” and “Other Loans” had the following composition:

	31.12.2017		31.12.2016	
	Corrente	Não corrente	Corrente	Não corrente
Bank Loans	7,511,465	57,455,951	3,985,753	43,473,155
Bank Loans	7,511,465	57,455,951	3,985,753	43,473,155
Commercial paper	22,000,000	5,000,000	22,250,000	5,000,000
Other bank loans	10,050,000	-	6,650,005	-
Overdrafts (Note 15)	7,681,255	-	7,183,087	-
Factoring/Other loans	1,397,726	1,874,761	1,650,941	-
Other loans	41,128,981	6,874,761	37,734,033	5,000,000
	48,640,446	64,330,712	41,719,786	48,473,155

The Board of Directors believes that the loans’ book value does not differ significantly from its fair value, calculated based on the discounted cash-flow method.

The nominal amount of bank loans at the 31 December 2017 will be reimbursed as follows:

2017			2016		
Reimbursement year	Amount	Estimated interests [1]	Reimbursement year	Amount	Estimated interests [1]
Current			**Current**		
2018	48,640,446	708,000	2017	41,719,786	757,000
Non-current			**Non-current**		
2019	11,703,988	1,196,263	2018	5,985,755	687,000
2020	8,880,685	942,179	2019	6,000,000	603,000
2021	7,880,685	755,942	2020	5,000,000	517,000
2022	7,880,685	575,971	2021	4,000,000	449,000
2023	7,880,685	396,001	2022	4,000,000	388,000
2024	4,603,984	270,133	2023	4,000,000	326,000
2025	3,500,000	196,754	2024	3,987,400	265,000
2026	3,500,000	146,088	2025	3,500,000	210,000
2027	3,500,000	95,421	2026	3,500,000	156,000
2028	5,000,000	17,778	2027	3,500,000	101,000
2029	-	-	2028	5,000,000	19,000
	64,330,712	4,592,530		48,473,155	3,721,000
	112,971,158	5,300,530		90,192,941	4,478,000

(1) Interest estimated according to the contractual conditions defined, assuming the market conditions verified in 2017.

(Amounts stated in Euros)

At the 31 December 2017 and 2016, the credit facilities used by the Group and the corresponding maximum amounts allowed were as follows:

	31 December 2017		31 December 2016	
Nature	Authorized Amount	Used Amount	Authorized Amount	Used Amount
Other bank loans	26,200,000	10,050,000	21,200,000	6,650,005
Bank overdrafts	15,000,000	7,681,255	15,000,000	7,183,087
Commercial paper program				
12/2016	-	-	-	-
12/2017	5,000,000	5,000,000	5,000,000	5,000,000
07/2018	1,750,000	-	1,750,000	1,750,000
08/2019	5,000,000	5,000,000	5,000,000	5,000,000
07/2019	7,500,000	4,000,000	7,500,000	4,000,000
07/2020	3,000,000	1,000,000	3,000,000	2,500,000
06/2020	5,000,000	5,000,000	5,000,000	5,000,000
07/2020	4,000,000	4,000,000	4,000,000	4,000,000
11/2020	3,000,000	-	3,000,000	-
06/2021	3,000,000	3,000,000	-	-
	37,250,000	27,000,000	34,250,000	27,250,000

During the year ended at the 31 December 2017 these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

During this year, and in the previous one, the Group did not enter into any loan default.

Additionally, at the 31 December 2017, there are no covenants associated with the loans obtained.

19. DERIVATIVES

In order to reduce the exposure to interest rate volatility, the Group has engaged in interest rate swap contracts. These contracts were evaluated in accordance with its fair value as of the statement of financial position date, being the corresponding amount recognized in the caption "Derivatives", as described in the Note 2.3.i.v.

At the 31 December 2017 there are no derivative financial instruments, and movements in this caption were as follows:

	31.12.2017	31.12.2016
Opening balance	-	(35,996)
Increases/ (Decreases)	-	35,996
Closing balance	-	-

(Amounts stated in Euros)

20. TRADE PAYABLE

At the 31 December 2017 and 2016 the caption "Trade Payable" could be presented, considering its maturity, as follows:

	31.12.2017			31.12.2016		
	Industry	Real Estate	Total	Indústria	Imobiliária	Total
0 to 90 Days	25,517,866	911,630	26,429,496	17,733,954	399,070	18,133,024
	25,517,866	911,630		17,733,954	399,070	

At the 31 December 2017 and 2016, this caption included accounts payable to suppliers resulting from the Group's operating activities. The Board of Directors believes that the fair value of these amounts does not differ significantly from their book value and that the effect of possible changes is not relevant.

21. OTHER ACCOUNTS PAYABLES

At the 31 December 2017 and 2016 the caption "Other accounts payables" had the following composition:

	31.12.2017	31.12.2016
Non-current liabilities		
Accounts payable related to financial investments	238,752	-
	238,752	-
Passivo corrente		
Fixed assets suppliers	1,190,462	4,212,626
Accounts payable related to financial investments	25,123	678,374
Customers advances	209,388	16,681
Other debtors	1,443,714	1,040,575
	2,868,687	5,948,256
	3,107,439	5,948,256

At the 31 December 2017 the liabilities recorded under the caption "Fixed assets suppliers" are payable in less than three months.

22. OTHER CURRENT LIABILITIES

At the 31 December 2017 and 2016 the caption "Other current liabilities" had the following composition:

	31.12.2017	31.12.2016
Accrued expenses:		
Accrued payroll	5,027,502	4,450,848
Interests payable	842,107	779,491
Other accrued costs	2,014,648	2,101,239
Deferred income	6,891,946	8,317,187
	14,776,203	15,648,765

(Amounts stated in Euros)

The caption "Deferred income" mainly includes anticipated invoicing regarding storage systems sales.

23. PROVISIONS AND IMPAIRMENTS LOSSES

The movements that occurred in provisions and impairment losses for the year ended at the 31 December 2017 can be detailed as follows:

	2017					
	Provisions	Impairment losses in accounts receivable	Impairment losses in inventories	Impairment losses in investments	Impairment losses in investment properties	Total
		(Note 11)	(Note 10)	(Note 4)	(Note 6)	
Opening balance	2,883,080	14,256,157	1,428,048	4,220,393	1,100,000	23,887,678
Exchange rate variation	(1,812)	(1,997)	(4,597)	-	-	(8,406)
Perimeter variation (Note 4.1)	200,000	1,014,231	108,818	-	-	1,323,049
Increases	288,138	80,862	17,439	435,112	-	821,551
Reversals	(268,670)	(93,420)	(10,595)	(753,175)	-	(1,125,860)
Transfers	-	-	-	-	-	-
Utilizations	-	(3,289,248)	-	(168,872)	-	(3,458,120)
Closing balance	3,100,736	11,966,585	1,539,113	3,733,458	1,100,000	21,439,892

The increases and reversals recorded in provisions and impairment losses for the years ended at the 31 December 2017 and 2016 were recorded in the profit and loss statement caption "Provisions and impairment losses".

The amount recorded in the caption "Provisions" as of 31 December 2017 relates to the Board of Directors best estimate to cover possible losses arising from legal actions in progress and other liabilities, namely, to guarantees related to storage management systems constructions. Given the great complexity of this constructions, the Board of Directors decided to increase their provisions in 2017.

The Board of Directors believes that, based on the opinion of their legal advisors, as of 31 December 2017 there are no assets or liabilities associated with probable or possible tax contingencies that should be reported in the financial statements as of 31 December 2017, besides the ones that are recorded.

(Amounts stated in Euros)

24. OPERATING LEASES

At the 31 December 2017 and 2016, the Group held, as lessee, essentially operational lease contracts, whose minimum payments present the following maturity:

	31 December 2017	31 December 2016
Responsabilities on operational lease rents	Minimum operational leases payments	Minimum operational leases payments
2017	361,605	230,709
2018	275,094	154,430
2020	125,298	44,487
2021	45,774	8,211
2022	10,169	-
	817,940	437,837

25. OTHER INCOME

At the 31 December 2017 and 2016 the caption "Other income" had the following composition:

	31.12.2017	31.12.2016
Prompt payment discounts obtained	66,564	113,734
Foreign currency exchange gains	111,855	51,188
Gais on non financial investments alienation	82,323	222,903
Supplementary income	481,235	321,091
Recovery of charges billed to customers	282,939	289,047
Subsisdies	22,778	93,607
Works for our own company	68,237	156,357
Other incomes	217,588	167,090
	1,333,519	1,415,017

(Amounts stated in Euros)

26. EXTERNAL SUPPLIES AND SERVICES

At the 31 December 2017 and 2016 the caption "External supplies and services" had the following composition:

	31.12.2017	31.12.2016
Subcontracts and specialized services	10,380,866	10,312,079
Maintenence and repair	3,112,710	2,068,289
Engineering tools	1,243,555	983,010
Electricity	1,412,132	1,073,644
Fuels and other fluids	858,737	779,614
Travel ans lodging	1,237,175	995,132
Transport of goods	4,198,230	3,897,515
Rents	1,789,977	1,709,241
Insurance	818,712	830,761
Other services	4,616,234	3,109,469
	29,668,328	25,758,754

The amounts recorded in the caption "Subcontracts and specialized services" are associated with: (i) thermal treatment services and machinery and (ii) the assembly services for metal structures (storage systems).

27. PAYROLL EXPENSES

At the 31 December 2017 and 2016 the caption "Payroll expenses" had the following composition:

	31.12.2017	31.12.2016
Remunerations	13,721,589	11,335,968
Indemnities	142,707	863,568
Charges on salaries	3,652,698	2,882,125
Insurance expenses	282,262	139,995
Social expenses	638,188	436,165
Other expenses	774,253	969,696
	19,211,697	16,627,517

Average number of employees

During the years ended 31 December 2017 and 2016, the number of staff employed by the Ramada Group was 641 and 489, respectively.

(Amounts stated in Euros)

28. OTHER EXPENSES

At the 31 December 2017 and 2016 the caption “Other expenses” had the following composition:

	31.12.2017	31.12.2016
Taxes and fees	488,655	372,373
Charges for Guarantees and comissions	254,629	239,325
Unfavorable exchange rate differences	54,118	22,706
Donations and contributions	33,360	41,583
Prompt payment discounts granted	39,433	26,118
Losses on non financial investments alienation	224,500	580
Fines and other penalties	15,906	7,402
Other Expenses	28,991	24,000
	1,139,592	734,087

29. FINANCIAL RESULTS

The consolidated financial results for the years ended at the 31 December 2017 and 2016 can be detailed as follows:

	31.12.2017	31.12.2016
Financial expenses:		
Interests	1,376,720	1,479,259
Other financial costs and losses	486,894	608,546
	1,863,614	2,087,805
Financial income:		
Interests	206,500	191,349
Other financial income and gains	6,414	13,925
	212,914	205,274

Interests paid and recognized in the profit and loss statement for the years ended as of 31 December 2017 and 2016 are totally related with loans obtained.

The interests received in 2017 and 2016 are related to loans conceded to subsidiaries (Note 4) and to financial investments made.

30. TRANSACTIONS WITH RELATED PARTIES

30.1 Related parties

Apart from the companies included in the consolidation (Note 4), the companies considered to be related parties at the 31 December 2017, are the following:

- Actium Capital, S.A.
- Caderno Azul, S.A.
- Livrefluxo, S.A.
- Promendo, SGPS, S.A.
- 1 Thing Investments, S.A.
- AdCom Media Anúncios e Publicidade, S.A.
- Altri Florestal, S.A.
- Altri Sales, S.A.
- Altri, Participaciones Y Trading, S.L.
- Altri, SGPS, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Caima Indústria de Celulose, S.A.
- Captaraíz Unipessoal, Lda.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Celulose da Beira Industrial (Celbi), S.A.
- Cofihold, S.A.
- Cofihold II, S.A.
- Cofina Media, S.A.
- Cofina, SGPS, S.A.
- Destak Brasil – Empreendimentos e Participações, S.A.
- Destak Brasil Editora S.A.
- Elege Valor, Lda.
- Grafedisport – Impressão e Artes Gráficas, S.A.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Mercados Globais – Publicação de Conteúdos, Lda.
- Pedro Frutícola, Sociedade Frutícola, S.A.
- Préstimo – Prestígio Imobiliário, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Valor Autêntico, S.A.
- VASP – Sociedade de Transportes e Distribuições, Lda.
- Viveiros do Furadouro Unipessoal, Lda.

(Amounts stated in Euros)

30.2 Commercial transactions

Group companies have relations with each other, which are qualified as transactions with related parties. All these transactions are made at market prices.

During the consolidating procedures, the transactions between companies included in consolidation by the full consolidation method (Note 4.1) are eliminated, since the consolidated financial statements disclose information regarding the holding company and its subsidiaries as a unique entity.

The main balances with related parties at the 31 December 2017 and 2016 may be detailed as follows:

	31 December 2017			31 December 2016		
Related parties	Accounts receivable and other debtors	Loans granted	Accounts Payable and other creditors	Accounts receivable and other debtors	Loans granted	Accounts Payable and other creditors
Associated companies	-	-	-	3,999,155	-	3,690,000
Other related parties	6,376,429	-	218,418	6,355,331	3,493,138	218,418
	6,376,429	-	218,418	10,354,486	3,493,138	3,908,418

The main transactions with related entities during 2017 and 2016 may be detailed as follows:

	31 December 2017			31 December 2016					
Related parties	Sales and rendered services	Supplies and external services	Other income and gains	Sales and rendered services	Fixed asset purchases	Fornecimento de Serviços Externos	Dividends received	Other income and gains	Interest income
Group´s subsidiaries	290,217	480,292	177,363	-	-	-	-	-	-
Associated companies	-	-	-	2,401	6,000,000	1,438,682	493,057	250,000	-
Other related parties	6,412,878	129,514	34,882	6,311,141	-	127,614	-	36,391	174,656
	6,412,878	129,514	34,882	6,313,542	6,000,000	1,566,296	493,057	286,391	174,656

The amounts related to Customers, debts of third parties, Suppliers and debts to third parties recorded in the years ended at the 31 December 2017 and 2016, as well as Sales and Services rendered refer to rents for the lease of the lands that are classified in the caption "Investment properties" (Note 6). The amounts related to transactions with Group companies refer to transactions with companies acquired at the end of 2017 (Note 4.1).

Board of Directors compensation

The Board of Directors of F. Ramada Investimentos, SGPS, S.A., as of 31 December 2017 is composed by:

- João Manuel Matos Borges de Oliveira
- Paulo Jorge dos Santos Fernandes
- Domingos José Vieira de Matos
- Pedro Miguel Matos Borges de Oliveira
- Ana Rebelo de Carvalho Menéres de Mendonça

The compensation conceded to the members of the Board of Directors of F. Ramada Investimentos, SGPS, SA during the year ended 31 December 2017 by the companies included in the consolidation under the full consolidation method amounted to 523,500 Euro (the same amount as the previous year).

(Amounts stated in Euros)

31. EARNINGS PER SHARE

Earnings per share for the year were calculated based on the following amounts:

	31.12.2017	31.12.2016
Net profit considered for the computation of basic and diluted earnings per share	56,708,187	13,860,952
Weighted average number of shares for the purpose of calculating net income per share	24,194,298	23,077,314
Earnings per share		
Basic	2.34	0.60
Diluted	2.34	0.60

There are no situations in the Group that might represent a reduction on earnings per share, arising from stock options, warrants, convertible bonds or other rights embedded in ordinary shares.

32. SEGMENT INFORMATION

In accordance with the origin and nature of the income generated by the Group, the main segments identified are as follows:

- Industry – includes the commercialization of steel and storage systems, as well as financial investments management;
- Real Estate – includes the assets and activities related to the Group's real estate development.

These segments were identified considering the business units which develop activities whose income and cost may be distinguished, and for which separate financial information is produced.

The segregation of activities by segments at the 31 December 2017 and 2016 is made up as follows:

	31 December 2017			
	Industry	Real Estate	Intercompany eliminations	**Total**
Total assets	227,577,962	97,267,090	(10,727,034)	314,118,018
Total liabilites	88,897,839	68,328,394	10,727,034	167,953,267
Operational investments (a)	29,710,170	528,173	-	30,238,343
Revenue and other gains from foreign markets customers	150,500,869	6,385,124	-	156,885,993
Revenue and other gains from other segments operations	2,324,793	1,371,996	(3,696,789)	-
Cash-flow from operational activities (b)	18,020,487	6,810,611	-	24,831,098
Amortizations/Depreciations	(5,624,661)	(306,368)	-	(5,931,029)
Profit from operational activties (c)	12,395,826	6,504,243	-	18,900,069
Financial profits	359,935	1,170	(148,192)	212,913
Financial costs	(946,659)	(1,065,147)	148,192	(1,863,614)
Shares of results of joint ventures and associated companies	42,527,206	-	-	42,527,206
Earnings before taxes	54,336,308	5,440,266	-	59,776,574
Corporate income tax	(2,037,503)	(1,030,884)	-	(3,068,387)
Deferred taxes	-	-	-	-
Net profit	52,298,805	4,409,382	-	56,708,187

(Amounts stated in Euros)

	31 December 2016			
	Industry	Real Estate	Intercompany eliminations	**Total**
Total assets	127,898,438	95,748,900	(7,873,365)	215,773,973
Total liabilites	72,120,446	73,445,344	(7,873,365)	137,692,425
Operational investments (a)	8,785,398	309,209	-	9,094,607
Revenue and other gains from foreign markets customers	130,816,852	6,528,585	-	137,345,437
Revenue and other gains from other segments operations	41,998	2,389,511	(2,431,509)	-
Cash-flow from operational activities (b)	17,170,763	6,586,029	(2,431,509)	21,325,283
Amortizations/Depreciations	(4,396,923)	(322,141)	-	(4,719,064)
Profit from operational activties (c)	12,773,840	6,263,888	(2,431,509)	16,606,219
Financial profits	434,254	-	(228,980)	205,274
Financial costs	(660,287)	(1,656,498)	228,980	(2,087,805)
Shares of results of joint ventures and associated companies	2,028,057	-	-	2,028,057
Earnings before taxes	14,575,864	4,607,390	(2,431,509)	16,751,745
Corporate income tax	(3,147,993)	(1,575,061)	-	(4,723,054)
Deferred taxes	1,194,845	704,039	-	1,898,884
Net profit	12,622,716	3,736,368	(2,431,509)	13,927,575

(a) - Investments in non-current assets, except financial intruments, deferred taxes assets and financial investments
(b) - Operational results + Amotizations/Depreciations (without group transactions)
(c) - Operational results excluding group transactions

Sales and services rendered by the Group during the financial years of 2017 and 2016 can be detailed by geographical markets as follows:

	31 December 2017			31 December 2016		
	Domestic Maket	Foreign Market	Total	Domestic Maket	Foreign Market	Total
Sales	31,810,059	3,382,435	35,192,494	57,634,587	3,063,258	60,697,845
Rendered services	27,679,419	94,014,080	121,693,499	20,612,615	54,619,960	75,232,575
	59,489,478	97,396,515	156,885,993	78,247,202	57,683,218	135,930,420

The non-current assets held for sale are essentially located in Portugal.

33. RESPONSABILITIES FOR GUARANTEES PROVIDED

At the 31 December 2017 and 2016, F. Ramada Group companies had provided the following bank guarantees:

	31.12.2017	31.12.2016
Supply of storage systems	(4,250,968)	(490,972)
Others	(4,534,203)	(141,503)
	(8,785,170)	(632,475)

34. OTHER NON-CURRENT ASSETS

Other Non-current assets in the amount of € 1,439,631 corresponds to a pension supplement scheme –Socitrel' s Pension Plan with the following characteristics:

(i) All employees in Socitrel' s effective staff who, at the date of retirement, have at least 10 and 5 years of continuous service for the benefit of old-age retirement (at the age established in the General Social

(Amounts stated in Euros)

Security System) and disability, respectively;

(ii) The pensionable service time is the number of full years of service in the Company at the time of retirement, with a maximum of 20 years, and the pensionable salary is the gross monthly salary;

(iii) This pension is calculated based on the following formula: P=1%xNxSP (P=monthly pension, N=pensionable service time, SP= monthly pensionable salary for the company), where P is maximum difference between the net monthly basic salary and the monthly Social Security pension. This pension is paid 14 times a year.

In order to cover the liabilities created by this benefit scheme, in the previous years SOCITREL has constituted "SOCITREL Pension Fund".

During the year ended 31 December 2016, SOCITREL began a process of changing its pension system, moving from the current defined benefit system to a defined contribution plan, which was approved by the Insurance Supervisory Authority and Pension Funds (ASF) at the end of 2017 and will enter into force with effect from 1 January 2018.

Following the approval by the ASF, the SOCITREL Pension Plan will have two components:

i) Defined benefit component – Applicable to retired beneficiaries and pensioners at the 31 December 2017 and that will have the same conditions of the Pension Plan that existed until that date.

ii) Defined contribution component – Applicable to the effective employees at the service of SOCITREL on 31 December 2017, later admitted and whose main characteristics are:

a) SOCITREL´S initial contribution corresponding to the amount of past service liabilities calculated as of 31 December 2017 (Euros 519,984) assigned to each employee in accordance with the actuarial calculation of the Pension Fund Management Company, to which SOCITREL is a third party.

b) SOCITREL´s annual contribution, which will be made considering the salary base of each employee at the service of SOCITREL and according to SOCITREL´s performance.

c) Individual contribution of each employee that corresponds to the amount that each employee can contribute to the pension plan if he / she so wishes.

The level of funding calculated by the managing entity of the "Socitrel Pension Fund" as at 31 December 2017 and 2016 is as follows:

	2017	2016	2015	2014	2013
1 - Total liabilities for past services:					
Assets	519,984	500,032	446,236	915,864	589,459
Pensioners and retirees	335,956	357,696	395,865	434,567	404,641
	855,940	**857,728**	**842,101**	**1,350,431**	**994,100**
2 - Pension's fund value	2,295,571	2,206,885	2,209,910	2,169,314	2,056,252

The decrease in the liabilities for services past on 31 December 2015 compared to 2014 results mainly from the departure of employees of SOCITREL during 2015.

(Amounts stated in Euros)

Given that the value of the Pension Fund is higher than the present value of past service liabilities, a non-current asset was recorded in the amount of this difference (2-1), in contravention of other comprehensive income.

The movement recorded during the year ended 31 December 2017, representing the difference between the value of the Pension Fund and the present value of the Liability for Past Services was as follows:

Excess of coverage at 31 December 2016	1,349,157
Amounts recorded in the income statement:	
Interets income	40,357
Cost of current services	-32,678
	7,679
Amounts directly recorded in comprehensive income	
Actuarial variations	82,795
Excess of coverage at 31 December 2017	1,439,631

The liabilities related to the SOCITREL Pension Plan were determined based on the following assumptions:

(i) Calculation Method “Projected Unit Credit”;

(ii) Mortality Tables TV 88/90;

(iii) Disability Tables EKV 80;

(iv) Discount rate 3%;

(v) Wage growth rate 3%;

(vi) Pension growth rate1,5%.

The decrease in the discount rate used to calculate the current value of past service liabilities by 0.5 percentage points would generate an increase in the estimate of the present value of past service liabilities with reference to 31 December 2017 of approximately 97,000 Euros.

The SOCITREL Pension Fund is composed as at 31 December 2017:

(i) 34.2 % stocks;

(ii) 41.8 % fixed rate bonds;

(iii) 10.9 % variable rate bonds; and

(iv) 13.1% Liquidity and other assets.

35. TRANSLATION NOTE

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted by the European Union, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

36. SUBSQUENT EVENTS

In a communication dated 20 March 2018, F. Ramada announced to the market the celebration of an agreement between the subsidiary Aços, SA, and the Averys Group to sell the entire issued capital of its wholly-owned subsidiary, Ramada Storax, SA The execution of this transaction is subject to prior notification to the Competition Authority, under the terms established in the legal regime of competition and, therefore, conditioned to the decision of non-opposition of that entity. The conclusion is estimated to occur during the first half of 2018.
The value of this transaction will be 75 million Euros ("Enterprise Value"). It is estimated that, under the terms of the agreement, a capital gain close to 60 million Euros will be generated.

37. FINANCIAL STATEMENT APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance at the 21 March of 2018. Its final approval depends on the agreement of the General Shareholders Meeting.

The Chartered Accountant

The Board of Directors

João Manuel Matos Borges de Oliveira – Chairman

Paulo Jorge dos Santos Fernandes

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça